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28 September 1983

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No. 2828

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INTERNATIONAL AFFAIRS

OFFSHORE BANKING IN REGION DISCUSSED

Beirut THE ARAB WORLD WEEKLY in English No 684, 6 Aug 83 pp 16-21

[Text]

OFFSHORE BANKING IN THE MIDDLE EAST

Offshore banking in the Middle East means Bahrain. Since 1975, when BMA decided to invite the international financial community to set up shop in Manama, more than 75 OBUs have taken up the offer.

Despite the high overheads - a senior executive can cost \$150,000-200,000 a year - no bank has left although one, Security Pacific National Bank, has indicated that it may reduce its presence by closing its dealing room. Somewhat defensively Security Pacific claims that this is part of a worldwide "rationalisation" of its dealing rooms.

At a banking event in November of last year , however, the company's executives did express some disappointment about the failure of the Gulf market to develop in the way the bank had hoped.

In 1982 the OBUs' business grew by over 15% - way down on 1981 - and total assets reached \$59,000 million. At the end of 1981 the total was \$58,300 million. BMA reported that at the end of 1982 there were 71 OBUs (more have opened since the end of the year), 18 commercial banks, and 58 representative offices. There were also 13 investment banks, 19 exchange offices, six financial brokers, two specialised institutions - Bahrain Islamic Bank and Bahrain Islamic Bank - 119 exempt or offshore companies and 18 financial firms in the process of formation. By contrast with the OBUs, commercial banks had total assets of just over \$4,000 million compared with \$3,286.5 million at the end of 1981.

It is difficult to OBU managers to go on record with any criticism of Bahrain, although some wistfully yearn for the recovery

of Beirut. Honest talking sometimes surfaces even from the notably reticent Japanese who arrived en masse in 1980. There are now 15 Japanese representative offices but only one Japanese bank, Bank of Tokyo, holds an OBU licence. An exempt company has been established by the Sumitomo Bank and more cautious advances are expected, though probably not by Arab banks. BMA governor Abdullah Saif has gone on record as saying that he doubts whether there is room in Bahrain for "new Arab banks." Yet the market outside remains convinced that BMA will relent and allow more institutions to be established.

From Buenos Aires to Seoul bankers talk about applying for representation in Bahrain. Turkish banks are particularly enthusiastic after Yapi-Kredi Bank's pioneering arrival in May. It will soon be followed by the Turkish agricultural bank T C Ziraat Bankasi.

Logical Alternative: Bahrain is a safe choice for banks whose main interests lie in Saudi Arabia. Since the kingdom has taken a highly restrictive attitude to foreign banks Bahrain has been the logical alternative. Some banks do, indeed, have unofficial representative offices in the kingdom but they are only able to act as "in-house" financial servicing offices for construction companies.

Banks can unwittingly expose themselves to the risk of being told to leave the kingdom . It happened in the case of a British merchant bank; and an Asian bank is currently running the same risk as SAMA is reported to be displeased that it has had cards printed advertising its "Saudi Arabia representative office."

BMA has been far more accomodating to foreign banks, although most of them would prefer to be near the real sources of money, either in Kuwait or Abu Dhabi if not Saudi Arabia itself. In 1982 the 18 commercial banks operating in Bahrain increased their assets by 25% but this was largely the result of an exceptional investment boom which came about before the collapse of Kuwait's Souk-al-Manakh.

Four banks offered tempting share issues - Arabian Investment Banking Corporation (Investcorp), Bahrain International Bank, Bahrain and Kuwait Investment Group and Bahrain Middle East Bank (BMB). Since potential shareholders have to deposit, interest free 5% of the capital they plan to place into a new company with the existing banks, the latter made windfall profits. In the case of Invescorp, more than \$30,000 million was deposited with the banks for an issue totalling only \$26 million.

The most exciting aspect of the new banks' business development plans is their emphasis on serving medium-size Gulf companies. Saudi Arabia is still the main focus for Bahraini OBUs. The growth in contracts falling to indigenous companies on the Arabian peninsula has generated a demand for improved financial engineering.

Far more worrying for Bahraini OBUs is the frosty attitude of the SAMA leadership and the Finance Ministry. However the tricky relationship between Saudi Arabia (which wants more business for its own banks) and Bahrain (which is keen to present itself as the offshore center of the Gulf) is resolved, the Gulf - like Asia - will remain a growth area. Some of the best and most aggressive Bahraini OBUs are those specialising in creating stronger links between the Gulf and Far East.

**Lack of Resources:** Shortage of human resources is sighted by many senior OBU personnel of one of the limitations on Bahrain's offshore growth. Bank management teams are often weakened by expensive transfers of key players, and as a result continuity is difficult to establish.

Yet Bahrain is an attractive place for expatriates and native residents alike. Western manners are tolerated in what is an Islamic society. The local press may be unsophisticated but the government takes a fairly catholic attitude towards the foreign press. Newspaper do circulate once they arrive. The flow of business information has improved and is getting better.

The geographic mix of banks in Bahrain is increasing all the time, the latest arrivals being Turkish institutions. Last year Deutsche Bank became a highly prestigious addition to the community. Also new in Bahrain is S. Remy Sjahdeini, the cheerful chief representative of Bank Negara Indonesia 1946.

**After the Manakh:** The extent to which Bahrain's banks were stung by the collapse of the Manakh is a sensitive topic. Hidden reserves mask the story as effectively as the veil worn by some of the older Bahraini women. Most banks say defensively that they only gave secured loans to Kuwait. If so this would go against the grain: the traditional way of doing business in the Gulf is one of no questions asked provided the borrower is "royal" or of "old stock."

Most of the banks have since tightened up lending procedures - and not just for Kuwait. The situation in the UAE has been under close scrutiny since the Central Bank produced new regulations on director borrowing. The failure of the al-Khoubar-based Abdullah Salih al-Rajhi Establishment also taught Bahraini OBUs a lesson. Banks are putting more efforts into research and computerising their risk analysis. BMA is also getting stricter, having learned that several Arab banks in Bahrain are unable to call on a parent bank as lender of last resort.

Since 1975 there have naturally been a number of scares in Bahrain's banking community but few, if any, casualties. The record compares favourably with every other Gulf banking center. Governor Saif is determined that Bahrain will never experience a Manakh-style scandal or even a sort of collapse which affected two banks in the UAE in 1977.

Despite the occasional grumble from the OBU community he generally has plenty of all-round support.

**Beirut's Bankers are Divided About the City's Suitability for Full OBU Status:** To all intents and purposes Beirut is an offshore market. Many bankers, however, believe that OBU status is essential to get Arab funds and banks to return to the city.

One of the most bullish proponents is Anwar al-Khalil, managing director of Beirut-Riyadh Bank. He agrees that the city already has the requirements for full OBU status; but formal recognition would provide an important psychological boost for investors.

Al-Khalil's contention is that lack of OBU status hampers even the simplest transactions like LCs.

Not everybody shares Al-Khalil's enthusiasm. Andre Chaib, economic studies department director at Banque du Liban, points out that non-resident deposits are already exempt from tax and that the city has a free-port zone.

"We have full bank secrecy in the Swiss mould. We get funds from anywhere and invest them everywhere. We are already essentially offshore. There is a real danger - in view of the security situation in Lebanon - that some or most of these funds may stay in the offshore system and not come into our reserves."

Ultimately the arguments center around comparisons with Bahrain. Beirut's banking sector may have not suffered financially during the troubles but technologically and in terms of services offered it has been left behind.

**Arab OBUs Have Been Testing the Singapore Market But May be More Interested in Malaysia in the Long Term:** The move east by Arab banks to open offshore branches in Singapore gained momentum in 1982. In May The Gulf Bank brought the number of leading Arab OBUs to six. It joins Arab Banking Corporation, Gulf International Bank, National Bank of Abu Dhabi, Kuwait Asia Bank and UBAF.

The National Commercial and the National Bank of Kuwait are also represented in the republic but have still to decide whether to raise their status to OBUs. Amman's Arab Bank is likely to be the next arrival. But what have these expensive operations achieved? Originally there were high hopes in Singapore that the influx of Arab banks would boost the local economy.

By the beginning of 1983 there were no fewer than 20 Arab states represented in the banking community, including those with stakes in consortium banks. To many it bore all the hallmarks of a drive by Arab banks to increase their involvement in the Pacific Rim.

On the other side of the fence, Singaporeans feel that the Arab banks still have a lot of work to do. Prestige receptions when a bank opens are certainly open points but, perhaps due to inexperience, the follow-up can be weak.

Many of the Arab banks chose Singapore because of its proximity to the growth market of the region - Malaysia. When other centers in the Far East (including Tokyo and maybe Taipei) open to offshore banking, Singapore's attractions may diminish. Arab bankers say quite rightly that Singapore businessmen are insular and have concentrated on offering "laundry" operations for multinational companies. There has been little edge to the localisation of business - unlike in neighbouring Malaysia where the issue of indigenous control of the private sector has been tackled successfully.

#### Middle East OBUs

<u>Bank</u>	<u>Country of incorporation</u>	<u>Year of establishment</u>
<b>BAHRAIN</b>		
Al Bahrain Arab African Bank	Bahrain	1979
Algemene Bank Nederland	Netherlands	1975
Allied Banking Corporation	Philippines	1980
Al Saudi Banque	France	1978
American Express International Banking Corporation	United States	1976
Arab Asian Bank	Bahrain	1981
Arab Bank	Jordan	1976
Arlabank International	Bahrain	1983
Arab Solidarity Bank	Cayman Islands	1979
Artoc Bank & Trust	Bahamas	1982
Bahrain International Bank	Bahrain	1982
Bahrain Middle East Bank	Bahrain	1981
BAII (Middle East)	Bahrain	1976
Banco de Vizcaya	Spain	1978
Banco do Brasil	Brazil	1976
Banco do Commercio & Industria de Sao Paulo	Brazil	1982
Banco do Estado de Sao Paulo	Brazil	1981
Bank Bumiputra Malaysia	Malaysia	1979
Bank of America	United States	1976
Bank of Bahrain & Kuwait	Bahrain	1971
Bank of Baroda	India	1980
BCCI	Luxembourg	1980
Bank of Nova Scotia	Canada	1976
Bank of Oman	Oman	1980
Bank of Tokyo	Japan	1978
Bankers Trust Company	United States	1977

Banque Indosuez	France	1976
Banque Nationale de Paris	France	1976
Banque Paribas	France	1978
Barclays Bank International	United Kingdom	1978
British Bank of the Middle East	Hong Kong	1979
The Canadian Imperial Bank of Commerce	Canada	1976
Chemical Bank	United States	1976
Citibank	United States	1976
Citicorp International Middle East	Bahrain	1980
Commerzbank	West Germany	1976
Continental Illinois National Bank & Trust Company of Chicago	United States	1982
Credit Commercial de France	France	1979
Credit Suisse	Switzerland	1975
European Arab Bank (Middle East)	Bahrain	1978
FRAB-Bank (Middle East)	Bahrain	1977
Grindlays Bank	United Kingdom	1971
Grindlays International	Hongkong	1979
Gulf Riyad Bank	Bahrain	1978
Habib Bank	Pakistan	1981
Handelsbank	Switzerland	1979
Hongkong & Shanghai Banking Corporation, The	Hongkong	1976
Kleinwort, Benson (Middle East)	Bahrain	1978
Korea Exchange Bank	Korea	1977
Kredietbank	Belgium	1977
Kuwait Asia Bank	Bahrain	1981
Lloyds Bank International	United Kingdom	1976
Manufacturers Hanover Trust Company	United States	1976
Midland Bank	United Kingdom	1976
National Bank of Abu Dhabi	UAE	1977
National Bank of Bahrain	Bahrain	1957
National Bank of Pakistan	Pakistan	1979
National Commercial Bank, The	Saudi Arabia	1979
National Westminster Bank	United Kingdom	1976
Nomura Investment Banking (Middle East)	Bahrain	1982
Overseas Trust Bank	Hongkong	1979
Saudi European Bank	France	1981
Saudi Kuwaiti Bank	Bahrain	1982
Scandinavian Finance	Bermuda	1979
Security Pacific National Bank	United States	1978
Societe General	France	1976
Standard Chartered Bank	United Kingdom	1976
State Bank of India	India	1977
Swiss Bank Corporation	Switzerland	1976
Sumitomo Bank, The	Tokyo	1983
Trans-Arabian Investment Bank	Bahrain	1979
Union Bank of Oman	Oman	1983

<b>UBAF</b>	<b>France</b>	<b>1976</b>
<b>United Bank of Kuwait, The</b>	<b>Kuwait</b>	<b>1976</b>
<b>United Gulf Bank</b>	<b>Bahrain</b>	<b>1980</b>
<b>United Gulf Investments</b>	<b>Bahrain</b>	<b>1981</b>
<b>Yapi-Kredi Bank</b>	<b>Turkey</b>	<b>1983</b>
<b>CYPRUS</b>		
<b>BCCI</b>	<b>Luxembourg</b>	<b>1982</b>
<b>Federal Bank of the Middle East</b>	<b>Lebanon</b>	<b>1982</b>
<b>TUNISIA</b>		
<b>Arab African International Bank</b>	<b>Egypt</b>	<b>1983</b>
<b>National Bank of Abu Dhabi</b>	<b>UAE</b>	<b>1979</b>
<b>Union Tunisienne de Banques</b>	<b>Tunisia</b>	<b>1979</b>

CSO: 4400/505

## INTERNATIONAL AFFAIRS

### OPEC MAY RETAIN QUOTAS

Paris AN-NAHAR ARAB REPORT & MEMO in English No 34, 22 Aug 83 pp 10-11

#### [Text]

Oil production from OPEC countries appears to have pierced the 17.5 million b/d ceiling set by the organisation in March, but there were indications that some members are anxious to avoid what promises to be a bruising ministerial meeting to set higher individual production quotas for as long as possible. According to *Petroleum Intelligence Weekly*, OPEC's output of crude oil has already reached 18.5 million b/d, with much of the increase coming from Saudi Arabia, the oil exporters' swing producer. *PIW*, which did not cite a source for its estimate, said that Saudi Arabian output is now running at about 5.5 million b/d, up from 4.5 million b/d in June and 5 million in July. The figure of 5 million b/d for July was confirmed last week by Sheikh Ahmed Zaki Yamani, but the Saudi Arabian Oil Minister did not reveal the Kingdom's current output.

Sheikh Yamani said a meeting of OPEC ministers would be needed soon to raise the ceiling. But it is clear that some member states are in no hurry to face the quarrels and haggling that setting individual quotas will entail. Venezuela's Oil Minister Humberto Calderon Berti, a member of the four-nation OPEC Market Monitoring Committee, said last week there were no plans at present to call an extraordinary meeting of OPEC ministers following the committee's meeting on September 13. The meeting is to be held in Vienna and not as previously reported in Abu Dhabi, according to Mr Calderon.

The issue of production quotas is bound to be exacerbated by the Gulf war between Iraq and Iran and these countries have already clashed inside OPEC over the choice of a new Secretary General to head the oil export-

ers' secretariat in Vienna. Iran, which has a quota of 2.4 million b/d, is at present producing 2.5 million b/d, according to *PIW*; Iraq's output falls short of its 1.2 million b/d allocation, but Baghdad can be expected to press for a larger share of the market to guard its position when and if it is able to increase the volume of its exports; at the same time, Iraq will oppose vehemently any attempt by Iran to obtain a larger quota. Nigeria is another country anxious to sell more of its oil, although *PIW* reported that Nigerian output has been cut from 1.7 million b/d in July to 1.4 million b/d.

Mr Calderon said there had been a gradual improvement in the oil market since March. But he added in an interview with the official *Venpress* news agency that it would not be advisable to raise the production ceiling at this stage. An increase in production must respond to additional demand for oil and not to rebuilding stocks, he declared. "We want to avoid a repetition in the first quarter of 1984 of what happened in the first three months of 1982 and 1983 when oversupplies exerted strong pressure on prices," he told *Venpress*. In another statement the Venezuelan minister said equilibrium in the oil market must be the keynote for OPEC and he added that the organisation's benchmark price for Arabian Light crude should be kept at \$29 per barrel throughout 1984.

Sheikh Yamani likewise supported a price freeze, repeating Saudi Arabia's belief that the \$29 benchmark should remain in force until the end of next year. Indonesia's Dr Subroto went even further, predicting that this price would hold "for several years."

CSO: 4400/505

ARMENIAN AFFAIRS

COMMENTS ON NEWLY EMERGED 'ARMENIAN REVOLUTIONARY ARMY'

Paris LE MONDE in French 29 Jul 83 p 3

[Article by Bernard Brigouleix]

[Text] Does the sudden appearance of the Armenian Revolutionary Army (ARA) among all the movements which, clandestinely or otherwise, declare that they are fighting for the Armenian cause, express the birth of a new force, relying on a political analysis different from that of other groups, particularly terrorists? Or is it indeed only a sham, a sort of diversification in illusion? Neither of these two hypotheses can a priori be ruled out.

The first one is based, to begin with, on the statements of the ARA itself. When one of its anonymous representatives claimed by telephone on Wednesday, 27 July, the responsibility for the surprise Lisbon attack, he stated that this organization intended "to distinguish itself totally from all existing Armenian organizations." This is in any case a point on which ARA behavior, in the two attacks attributable to it so far—in Lisbon and in Brussels—differs from that of the ASALA or of other commando groups, such as the Judges of the Armenian Genocide: for the moment, beside the terrorists themselves in the Lisbon case, only representatives of the Turkish state were targets of this display of violence, even though a policeman was also killed in the Portuguese capital.

This strategy is evidently very different from the one that inspired the Orly attack, none of whose victims could pass, under any heading whatever, for a Turkish "official," with none of the victims, moreover, either wounded or killed, being of that nationality. Obviously, the killing that took place at the Parisian airport 48 hours after the assassination of a Turkish diplomat in Brussels was inspired by an entirely different concern. And it is felt, in Turkish circles in the capital, that France itself, at least as much as Turkish Airlines and what they represent, was the target. The selectivity observed until now by the ARA in the choice of victims indeed does not make its crimes any less odious, but it can facilitate its task in its propaganda effort.

If this organization really exists, it embodies, therefore, the second conclusion of the traditional alternative of terrorism: either to make

itself detested and feared as a whole, or indeed to seek, i.e. aiming its shots, to convince at least a proportion of public opinion of the justice of its cause, the suicidal dimension of the Lisbon raid adding, in this case, a touch of bloody romanticism, the real instigators of the operation having cynically estimated that it would have a greater effect on potential sympathizers, such as the young Armenians in the "diaspora."

But does the ARA really exist? The second hypothesis to be considered--and the least we can say is that the antiterrorism specialists do not exclude it--would be that its appearance has above all the objective of giving international opinion the feeling that there exists not one Armenian terrorist organization, but a sort of domain, a nebula, in which underground groups, trends, ideological allegiances abound... The same would be true for the call for the unity of the Armenian movement issued by the Lisbon terrorists at the end of their message.

This pseudodiversification, if it was confirmed that it is indeed of a tactical nature, would present a triple advantage for its authors. The first would be to cloud the issue; the second would be "to help make a crowd." The third advantage, perhaps really the main one, would be to give thereby, even to this newcomer to the international terrorism scene, a truly "Armenian nationalist" dimension, which is already being very strongly disputed by those who question the real objectives of this undertaking and the nationality of its real silent partners.

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CSO: 4619/92

ARMENIAN AFFAIRS

FRENCH PERIODICALS COMMENT ON ACTIONS OF ASALA

Paris LE MONDE in French 27 Jul 83 p 7

[Article by P.J.: "Who Manipulates ASALA?"

[Text] Terrorism has two languages: one, clear, is directed to the public and defends a cause; the other, coded, is addressed to governments, to which it transmits a message.

The attack committed by the Secret Armenian Army for the Liberation of Armenia (SAALA) on 15 July at Orly Airport purported to serve a cause whose legitimacy no one in the daily press disputes. Antone Sfeir even pointed out in LE PELEURIN that "without seeking to justify or to 'understand' the mad act of these young terrorists, we are obliged to recognize that the Armenian problem returned to the front page of the news only after the series of terrorist attacks committed by SAALA".... "Before them," he reminds us, "the Palestinians also gained access to the podium of the United Nations by using terrorism as a trampoline.. Our governments and ourselves--public opinion--have we not here an enormous responsibility?"

"Is it vanity to believe that justice can be achieved by any means other than crime?" ask Genevieve Laplagne in LA VIE. "No," she replies, "we cannot, here, resign ourselves to this conception of things." She hopes that the French Government will act in order that its condemnation of the genocide of one and a half million Armenians in Turkey in 1915 will "echo on the European and American leaders and on the great international courts, whose intervention we may expect to have an effect on the Turkish Government, which seems to have been treated with a little too much consideration."

For "repression is not enough," writes Gerard Stephanesco in TEMOIGNAGE CHRETIEN. "The mere imprisonment of Armenian activists, or even of terrorists, will not bring about a lasting solution," he explains. "In order for the Armenian community to have confidence, the French Government must be less tolerant toward the Turkish regime."

On the other hand, in RED (Trotskyist), Christian Picquet reserves his criticism for SAALA. "One can sometimes understand," he writes, "the exasperation of young militants in the face of the cynicism of the ruling classes or the indifference of public opinion. But one cannot have the least sympathy for acts that attribute the responsibility for the crimes of their government to

the public. For such acts are inspired, in the final analysis, by the worst methods of oppressing regimes. The only notable difference is the number of victims and the degree of violence employed." For want of a program and a strategy, SAALA, he feels, is exposed to "every manipulation and every infiltration by networks and forces that don't care a fig about the Armenian cause."

What are these forces and what ends are they pursuing? Camille-Marie Galic offers, in RIVAROL, an hypothesis that other commentators have also advanced.

"How can we not see," she asks, "a collusion between Moscow and the various groups of Armenian 'patriots', whose just complaints seem, after 6 decades of slumber, to have been resuscitated...expressly to weaken NATO and its Oriental bastion? And isn't it strange that the communist milieux show such comprehension of the Armenian cause, despite the well-known subjugation in which the Kremlin holds the Soviet Republic of Armenia?"

"In reality," writes Pierre de Villemarest in LA VIE FRANCAISE, "the bases of SAALA (and tomorrow of any other organization) in Lebanon, Syria, and Iran are all controlled by a special Soviet-Arab machine whose officers are specialists in Caucasian, Kurdish, and Iranian affairs.... You can't throttle terrorism by secretly making deals with it. To ignore the role of the USSR in the affair is once again (as in the Ali Agca affair) to encourage it to pursue such remote-control operations."

This allusion to "secret deals" refers to transactions related in LE POINT by Philippe Genet, Jean-Loup Reverier, Jean Noli, and Jean Schmitt, which, according to them, resulted, on 29 January 1982, in a "truce" between SAALA and France. "But matters got complicated," they report. "With the summer of 1982 came the occupation of Beirut--a hard blow for the Armenian terrorists. Since 1975, they had been training in the Palestinian camps, where they received encouragement, materiel and instruction. In 6 years, SAALA had left the 'moderate' lap of Fatah, which had first protected it with Abou Iyad. It slipped into the camp of more radical Palestinian organizations, like the pro-Soviet FPLP of Georges Habache, or the pro-Libyan FPLP commanded by Ahmed Jibril, or the Palestinian Saika. But Beirut, no more! SAALA had to disperse. Greece, Cyprus, Libya, Iran, and Syria became its refuges." The secret organization was accused, "not without reason, by the majority of Armenians... of having become a thieves' kitchen supported by the Libyans, the Syrians, and, by interposed strings, of Moscow."

According to Michel Labro, in L'EXPRESS ' it is especially "in Tehran, that some of the SAALA forces have taken refuge. ..." And, he writes, "after the highjacking of an Iranian Boeing at Orly, on Thursday, 7 July, the Tehran authorities renewed their attacks against Paris. The Libyan Qadhafi, it is true, also has a few reasons, after the aid supplied by France to the legal Government of Chad, to want to settle accounts with France."

Has SAALA betrayed the Armenian cause to become, like the Palestinian group of Abou Nidal, simply a terrorist organization, the tool of ambitions and of strategies that escape it?" asks Rene Backmann in LE NOUVEL OBSERVATEUR. "This is the conviction of the leaders of the Dachnak Party, one of the principal Armenian political groups, who believe that 'SAALA has completely fallen

into the hands of the USSR.' This is apparently the conclusion of the investigators. Indeed, among the 20 foreigners of Armenian origin who were deported--as among the 10 militants brought before the court of Creteil, along with Varadjian Garbidjian--there were men and women whose activities had little to do with the Armenian cause."

It remains only to say that the French police and intelligence services seem to have a lot of trouble anticipating the acts of terrorism. Charles Villeneuve affirms, in PARIS MATCH that "it is not the value or the competence or the courage of the agents of the services who are responsible or guilty for the ease with which the bullies of every ideological hue can pick a fight in France."..."On this point," he writes, "the heads of the German, American, and Italian services are in chorus: the French police are good, even very good. Unfortunately, the bureaucracy over them, and even the directives coming down to them, do not enable them to carry out their missions."

Considerations on the efficiency of the security services, interrogations on the silent partner of the "contract" executed at Orly: it is thanks to SAALA that the Armenian cause appears, in this month of July, as the cover for a somber affair of police and of secret war.

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CSO: 4619/90

LIST OF 'TURKISH VICTIMS OF ARMENIAN ATTACKS'

Istanbul MIDDLE EAST REVIEW in English No 57, Aug 83 p 10

[Text] Armenian attacks on Turkish diplomats started in 1973. In attacks since 1973, 35 Turkish diplomats have been murdered and 88 Turks wounded. The losses in the incidents are as follows:

- 27 January 1973: Mehmet Baydar, Consul-General in Los Angeles, and his assistant.
- 22 October 1973: Daniş Tunalıgil, ambassador to Vienna.
- 24 October 1975: İsmail Erez, ambassador to Paris, and his driver Taşlıp Yener.
- 16 February 1976: Oktay Ceric, head clerk at the Beirut embassy.
- 9 June 1977: Taha Çarmı, ambassador to the Vatican.
- 2 June 1978: Necla Kuneralp, the wife of Zeki Kuneralp, ambassador to Madrid, and her brother, retired ambassador Beşir Balcioglu.
- 12 October 1979: Ahmet Benler, the son of Özdemir Benler, ambassador to The Hague.
- 22 December 1979: Yılmaz Çolpan, tourism counsellor in Paris.
- 6 February 1980: Assassination attempt on Doğan Türkmen, ambassador to Bern. (Türkmen was wounded).
- 17 April 1980: Vecdi Türel, ambassador to the Vatican, is wounded.
- 31 July 1980: Galip Özmen, administrative attache at the embassy in Athens, and Neslihan Özmen, his daughter.
- 26 September 1980: Selçuk Bakkalbaşı, press counsellor to the Paris embassy, is seriously wounded.
- 17 December 1980: Şenik Anyak, Consul General in Sydney, and his bodyguard Engin Sever.

- 4 March 1981: Paris labor attache Reşat Morali and Tecelli Ari, religious functionary.
- 3 April 1981: Cavit Demir, Labor counsellor to the Copenhagen embassy, is seriously wounded.
- 9 June 1981: Secretary Mehmet Yargöz, secretary in Geneva.
- 24 September 1981: Cemal Özen, security officer at the Paris consulate, is killed and Consul General Kaya İnal wounded.
- 23 October 1981: Gökberk Ergenekon, second clerk at the Rome embassy, is seriously wounded.
- 28 January 1982: Kemal Arıkan, consul general in Los Angeles.
- 8 April 1982: Kani Güngör, commercial counsellor at the Ottawa embassy, is seriously wounded and partially paralysed.
- 5 May 1982: Erhan Gündüz, honorary consul for the Boston area.
- 7 June 1982: Erkut Akbay, administrative assistant at the Lisbon embassy is killed and his wife Nadide Akbay wounded.
- 21 July 1982: Assassination attempt on Kemalettin Demirer, Consul General in Rotterdam.
- 7 Ağustos 1982: Armenian terrorist kill three security officers and wound six at Esenboga airport. Seventy-three passengers are wounded.
- 27 Ağustos 1982: Staff colonel Atilla Altıkat, military attache at the Ottawa Embassy.
- 9 September 1982: Bora Süelkan, administrative attache in the consulate in Burgaz, Bulgaria.
- 10 January 1983: Nahide Akbay, local secretary at the Lisbon embassy, dies following transport to Turkey

after being reduced to a vegetative state in the assault in Lisbon.  
9 March 1983: Galip Balkar, ambassador to Belgrade.  
14 July 1983: Dursun Aksoy, administrative assistant at the Brussels embassy.  
28 July 1983: Our charge d'affair in Lisbon Yurtsev Mihçioğlu was injured. His wife Cahide Mihçioğlu could not be saved. ●

CSO: 4600/889

MILITARY GRADUATION REPORTED; MUBARAK, ABU GHAZALAH ATTEND

Cairo AL-AHRAM in Arabic 21 Jul 83 p 3

[Article by Hasan 'Ashur and Husayn Fathallah]

[Text] In the square of the War College, the oldest military college in the Arab world and in the Middle East, President Husni Mubarak, accompanied by the prime minister, the deputy prime ministers and the ministers, yesterday witnessed the graduation ceremony for students of the five military colleges: The War College, the Naval College, the Air Force College, the Air Defense College and the Military Technical College, held on the same day for the first time. The graduation ceremony was attended by the graduates' families who began arriving at the college premises in the morning.

President Mubarak arrived at 1000, accompanied by Field Marshal Muhammad 'Abd al-Halim Abu Ghazalah, deputy prime minister and minister of defense. The president was received by Lt Gen Ibrahim al-'Arabi, chief of staff; Lt Gen al-Sayyid Hamdi, air defense forces commander; Lt Gen Muhammad 'Abd al-Hamid Hilmi, air force commander; Maj Gen 'Ali Jad, naval forces commander; Maj Gen Nabil Shukri, director of the War College; Maj Gen Jabir Amin, Naval College commander; Maj Gen 'Alawi Ju'aysah, Air Defense College director; Maj Gen Ibrahim Salim, Military Technical College director; and Brig Gen Fakhri Fadlallah Jahrami, chief instructor at the Air Force College.

The military bands then played the presidential march [al-salam al-jumhuri], Koran passages were recited and then Staff Maj Gen Nabil Shukri delivered the address of the military colleges and the War College students reiterated the slogan of "duty, honor and the homeland" and the Naval College students reiterated the slogan of "honor, science and sacrifice." The Air Force College students cheered for sacrifice and glory, the Air Defense College students for faith, determination and glory and the Military Technical College students for faith, science and work.

The parade column commander then approached the stand to give the graduates' salute to the president of the republic and the armed forces supreme commander and to request permission to start the parade, which began with the presentation of the banners of the main branches of the armed forces: the ground forces, the naval forces, the air force and the air defense forces.

The column of graduates was led by the War College students in their blue uniforms, followed by the Naval College students in their white uniforms, the Air Force College students in their azure blue uniforms, the Air Defense College students in their grey uniforms and then the Military Technical College students in their khaki uniforms.

With the completion of the parade came the ceremonies for handing over the commands of the military colleges, with the (graduate commanders from the colleges) handing over the command to the next class. The graduate commanders then kissed the banners of their colleges and took the oath to respect and honor these banners and to work diligently after their graduation to serve the armed forces. The new commanders then received the banners to kiss them and to take the oath to be loyal to their military duties during their service in the ranks of the armed forces.

The director of the armed forces officers' affairs then announced that Field Marshal Muhammad 'Abd al-Halim Abu Ghazalah, deputy prime minister, minister of defense and of war production and armed forces general commander, had approved the graduates' final results, as follows:

War College: Granting graduates a bachelor's degree in military science with a certificate for completion of military studies. The success rate was 96.7 percent and the class included students from Somalia and Zimbabwe. These students' success rate was 100 percent.

Naval College: Graduates granted a bachelor's degree in naval studies. Their class included students from Kuwait whose success rate was 100 percent.

Air Force College: The graduates of this college received a bachelor's degree in aviation and military science and certificates in international commercial aviation. This class included students from Chad whose success rate was 100 percent.

Air Defense College: The graduates of this college received a bachelor's degree in air defense sciences and their success rate was 84.5 percent.

Military Technical College: Its graduates received a bachelor's degree in engineering and a certificate for completion of military studies. The success rate in this college was 98.4 percent and the graduates included students from Sudan, Somalia and Tanzania.

Following announcement of the results, the director of officers' affairs read the graduates' appointment decree approved by President Mubarak in his capacity as supreme commander of the armed forces. The decree provides for the appointment of all the graduates as of 1 July 1983, with the graduates of the Military Technical College appointed to the rank of first lieutenant and the graduates of the War College, the Naval College, the Air Force College and Air Defense College appointed to the rank of lieutenant on probation. The decree further provides for granting the graduates a month's salary as a bonus so that they can meet the burdens they face at the outset of their service in the armed forces when they must acquire special uniforms at their own expense.

Ceremonies were then conducted to grant the military badge of honor, second class, to the top graduates. The students scheduled to receive this badge approached the main stand from which the president descended to award the students the badges and to congratulate them. The top graduates included students from Zimbabwe, Chad, Somalia, Sudan and Kuwait.

Before conclusion of the ceremony, the graduates repeated the oath of loyalty which says: "I swear by God almighty (repeated three times) to be a soldier loyal to the Arab Republic of Egypt, faithful to the president of the republic and to the republic's democratic socialist system, to safeguard its security and safety and to protect and defend it on land, at sea and in the air inside and outside the republic, to obey military orders, to carry out the orders of my superiors and to safeguard and never abandon my weapon until I die, and God be witness to what I say."

Field Marshal 'Abd-al-Halim Abu Ghazalah gave an address in which he said:

"We celebrate today the accession of a select group of Egypt's youth to the ranks of the armed forces as officers who have received their education and training at the best military institutes and according to the best methods of international military education and training.

"The armed forces' celebration of the accession of a group of future commanders to their ranks at this important phase, which comes 10 years after the glorious October war, requires us all to always understand that our armed forces, considering the changes taking place around us, face major challenges and enormous tasks that demand of us hard and ceaseless work, taking into consideration that our forces are, in both war and peace, the mainstay for achieving Egypt's security. Peace and stability are not achieved by wishes but by possessing an effectively deterrent military capability that is always prepared to defend this homeland against any threats.

"In this phase, our armed forces are proceeding with real steps to achieve our strategy, which seeks to establish peace between us and our neighbors and to deter and prevent any aggression threatening our borders and security. God, may He be praised, has said: 'Prepare for them all the strength and all the horses with which to strike fear in the hearts of the enemies of God, in the hearts of your enemies and in the hearts of others whom you don't know and whom God knows.' God is always truthful.

"The most important thing in this preparedness that God has demanded of us is to prepare the men. This is what these great institutes are doing. It pleases me to point out that these graduates' accession to the armed forces comes at a time when the armed forces are seeing great strides in obtaining an intrinsic deterrent Egyptian military capability that depends on the versatility of the Egyptian fighter characterized by the spirit of the great October and possessing sophisticated equipment based on up-to-date modern technology.

"The accession of this group of Egypt's youth to the armed forces family reflects in itself the extent of attention that the Egyptian leadership devotes

to the firm common action of the various ground, sea and air branches. I congratulate the new graduates and wish them success and progress in the ranks of the armed forces. I also tell them that you have to keep in mind that ceaseless work to develop our armed forces' capability to protect Egypt is a sacred duty for which we must exert our utmost efforts and that military weakness or laxity is nothing but a call for aggression against us. Because you are the hope of the future, you must take into consideration that the capable fighter is the backbone of any military unit at any level and that he must be a model for his subordinates, sacrificing everything to prepare his men to perform their duty for Egypt.

"Permit me, and may his excellency the president permit me, to conclude this address with an invocation: 'God, if you give us strength, do not take our minds away, if you give us victory and success, do not take away our humility and if you give us humility, do not take away our pride and our dignity. God, if we forget you, do not forget your servants. God's peace and mercy be upon you.'"

Maj Gen Nabil Shukri, director of the War College delivered an address in which he said: "This day coincides with the anniversary of a greater holiday, namely the 23 July revolution with which we rose and one of whose fruits we became when that revolution declared to the entire world that one of its goals was to create a strong national army that safeguards and does not threaten and that protects and does not squander."

He also said: "These men, with their various specializations, are men of the joint armed forces with their single command and single strategic goal, namely, Egypt, which is mentioned in seven places in the Koran."

The War College director added: "Egypt's soldiers are the world's best soldiers and they are on constant alert until the hour comes." He urged the graduates to let faith in God be their guide to success, to let their oath of loyalty to the homeland and to the president of the republic be firm and unchanging, to let their adherence to military tradition be the guiding light to every accomplishment, to let their search for knowledge be a goal and to let their eagerness to die for God be stronger than life.

He added that the military colleges will continue to be an indefatigable source for supplying the armed forces with the best soldiers.

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CSO: 4504/497

SIRAJ-AL-DIN COMMENTS ON DECISION DENYING WAFD RETURN

Cairo AL-AHRAR in Arabic 29 Aug 83 p 1

[Text] Fu'ad Siraj-al-Din, leader of the New Wafd Party has issued a statement to AL-AHRAR concerning the decision last Thursday by the Political Parties Committee refusing reactivation of the Wafd Party and concerning the committee's insistence, in a communique it issued, that the party had dissolved itself and would only be permitted to return via a new resolution by the Parties Committee.

Fu'ad Siraj-al-Din told AL-AHRAR that the decision of the Political Parties Committee is a violation of the law and of reality. He said that he does not agree with the committee's opinion contained in the communique it issued.

Siraj-al-Din added: The decision of the Parties Committee to refuse the Wafd's return was not a surprise. To the contrary, the Wafdist expected it because they know that there is a fear of the Wafd's emergence.

Siraj-al-Din said: The party's legal experts studied all the likely possibilities before the Parties Committee announced its position. The Wafd Party is now in the process of preparing a communique based on legal premises upon which the Wafd decided last Sunday to resume its political activity after revoking its previous decision to freeze such activity. Announcement of the Wafd's communique will take place during the next few days, probably next Wednesday or Thursday.

Fu'ad Siraj-al-Din denied rumors of a meeting between him and President Husni Mubarak saying: "What do you think?" He said that he had hoped that the Parties Committee's view would be more appreciative of the new [political] climate the country is experiencing.

Siraj-al-Din added that the Parties Committee, through its decision, has revealed its current intentions. [He said that] this is much better than if the committee had postponed announcing its decision until just before the upcoming People's Assembly elections, at which point the Wafd would have found itself in a difficult situation.

The leader of the New Wafd Party did not wish to add anything else other than to say that the Wafd is a democratic party and that the Supreme

Authority has the final word and that its communique would be comprehensive and would contain [answers to] all the questions raised by the reaction against the Parties Committee's decision.

AL-AHRAR has learned that one of the possibilities raised is that the Wafd will resort to litigation on the grounds that the Parties Committee's decision was unsound and that the decision issued by the Wafd in June 1978 dissolving itself was incomplete and was not final because the Parties Committee did not agree to it at that time and did not take the legal steps to eliminate the party, its assets, and its offices. Therefore, the Wafd [merely] froze its activities and has the right to decide to restore the practice of these activities when conditions so permit.

There is another possibility, called for by some in the Wafd leadership, that the party continue practicing its political activities, ignoring the decision of the Parties Committee and applying the policy of fait accompli. The Parties Committee would then have to itself resort to litigation demanding that the party cease its activity.

AL-AHRAR has also learned that the Wafd Party, in proving its right to return, will depend on Article 19 of the party's internal organization. This article stipulates that "decisions by the party's General Assembly are considered final as long as the Supreme Authority does not call for a review of these decisions within 15 days of their issuance. In these cases they are presented again to the Assembly and its decision are final."

The Wafd Party's Supreme Authority met within 15 days of the General Assembly's issuance of the decision to dissolve the party and decided to review the decision and, therefore, the decision of dissolution became merely a decision of "freezing activity." However, the Wafd's Supreme Authority was afraid of presenting the matter to the General Assembly, fearing that there would be a harsh reaction from President al-Sadat who would issue a resolution to dissolve the party.

After midnight last Tuesday and after Fu'ad Siraj-al-Din had finished giving his speech at the commemoration of Sa'd [Zaghul] and [Mustafa] Nahhas, the Wafd Party General Assembly held a meeting in which it discussed the Supreme Authority's decision. It ratified the party's reactivation.

With this, the decision to become active again became legal since the above-mentioned Article 19 did not stipulate a deadline for the party's Supreme Authority to present its requests to the General Assembly.

CSO: 4504/590

ECONOMIC CHIEF DESCRIBES TAX, INCOME, SUBSIDY REFORMS

Cairo AL-AHRAM in Arabic 29 Jul 83 p 5

[Interview with Economy Minister Mustafa al-Sa'id by 'Abd-al-Rahman 'Aql:  
"The Minister of Economy, in a Frank Interview with AL-AHRAM: Egypt Is  
Entering the Stage of Productive Liberalization"]

[Text] Egypt's economy has started actually to enter the stage of transition from consumer liberalization to a productive liberalization which will realize the interests of the national economy as a whole, in the first place, not just rapid profits for a limited group in short time with little effort.

Today we are continuing the conversation we started 3 weeks ago. Today, our conversation is with Dr Mustafa al-Sa'id, the minister of economy, on the goals of economic reform in Egypt on behalf of the interests of the whole Egyptian people.

In the last conversation Dr Yusuf Wali, the minister of agriculture, asserted to us that Egypt would realize self sufficiency in grain 7 years from now, reaching the limits of the potential for food in Egypt. He said that the al-Salihiyah project was a government project run by a commissioner in administration at the deputy prime minister's rank.

He said that agricultural companies would operate the watermelon fields, which are estimated at about 20,000 feddans and whose anticipated production is estimated at about 200,000 tons, and that they would be supplying their production at the end of next September.

Today, Dr Mustafa al-Sa'id, the minister of economy, stresses the development of the Egyptian economy specifically.

[These entailed] rectification of the disruptions in the structure of the Egyptian economy on behalf of the production sector -- industry and agriculture -- and the shift of the liberalization from satisfying consumer needs and a rapid profit flow, to production and service of the domestic economy.

The attainment of justice of distribution in incomes, tax burdens, standard of living and services, respect for the social aspects of comprehensive

development, and liberalization in particular, the creation of a just tax system, the determination of production and spending priorities in a manner that will be in keeping with the satisfaction of the basic needs of the masses, and the improvement of basic facilities and services.

Remedy of the balance of payment deficit by increasing exports, guiding imports, creating new sources of hard currency in coping with the expected increase in prices, and getting the figure of remittances of Egyptians abroad up to \$1.2 million a year, or \$100 million a month.

I asked the minister of economy, "In coping with the coming stage, and on the occasion of the transition into the second year of the plan, what is your evaluation of the performance of the economy in the year that has passed? What will be the dimensions of movement in the coming year, in terms of the form of the government's economic resources? What have they become, and what is their future?

The minister: Without a doubt, now that the 5-year economic and social development plan (1982-83 through 1986-87) has begun to be put into effect, we can say that what we can call the second stage of the economic liberalization has started with the application of this plan, along with the specific goals that has entailed, which are embodied in the declaration made by the president and the government regarding the imparting of the characterization of production to economic liberalization. Consequently, if we want to provide a history of economic development in Egypt, I can most properly and objectively state that it began with the application of this plan, the assertion of the productive character of economic liberalization. Therefore, the first year of the application of this plan represents a great challenge to the government and the economic policies it sets forth, and to the achievements it realizes. In the face of this challenge, effort and attention have been given to the need to make this plan succeed in its first year, and the need to have economic policies in various fields interconnected and interlinked, whether they be monetary policy areas, the areas of foreign trade policy, or areas of financial policy or investment. It was necessary that these policies be carried out in coordinated form, so that they would ultimately achieve the goals of the plan.

#### Correcting Disruptions in the Structure of the Egyptian Economy

These goals were basically embodied in the need to remedy the various features of disruptions in the areas of the Egyptian economy, to remedy the balance of payments deficit in it, the inflationary pressures, the deficit in the budget, the disruption in the structure of the economy and its bias toward the commerce and service sector at the expense of the industrial and agricultural sector, to correct the phenomena of disruption that exist in equity of distribution, to assert the social side of the policy of economic liberalization, to create a just tax system to determine production priorities in a manner that will be consonant with the satisfaction of the basic needs of the masses, and to determine spending priorities so important projects will be constructed in the realm of such basic services as education, sanitary drainage and water.

The basic fact we are facing in 1983-84 is the drop in receipts from petroleum, which is expected to come to \$500 million in 1983-84 relative to 1982-83.

At the same time, there is of course an increase in demand for our foreign currency needs, because of the expansion in the development projects and the imports of some basic consumer goods. It is not expected that the general trend of import prices will drop, especially those of basic primary materials such as wheat, oil, corn and sugar. It is not expected that the prices of these commodities will drop at the same rate as last year in 1983-84. Indeed, there are some forecasts which consider it likely that these prices will increase this year in comparison with last year, because of the revival which has occurred in the American economy and some European countries, foremost among them Germany and Britain.

Therefore there is a pressing need to develop our foreign currency resources through new sources to cope with the decline in the prices of petroleum and the increase in demand for foreign currency, because of the expected rise in prices of the basic commodities we import.

#### New Sources of Hard Currency

Therefore, the policy we are pursuing in the current stage has the goal of increasing the resources which will flow in through official government channels next year by following a group of measures. Principal among these measures are the ones we are pursuing of encouraging and increasing exports besides petroleum, the measures that have been followed and the policies that have been adopted in the past few months as regards the grant of rights to exporters to hold onto their foreign currency and their right to use that to buy the necessary raw materials for their export industry, establishment of the export bank, to which agreement was given in the People's Assembly, establishment of the higher export development committee on the ministerial level, and support for the center for export development. By looking at the volume of our exports of a given commodity, such as fruit and vegetables, to Arab countries such as Saudi Arabia, the emirates and Kuwait, in May 1983, in comparison with May 1982, we find that there has been an increase of no less than 70 percent in these commodities. [There are] commodities like flowers, which Egypt has started exporting to these countries for the first time in large volumes, while there had been no exports of these commodities to these countries, as well as our exports of urea and aluminum to European countries. We have actually started to export urea to Vietnam. This means that one of our means for making up for the deficit that exists as a result of petroleum or the expected increase in our annual foreign currency needs will in part come about through compensation by encouraging the exports of other commodities besides petroleum.

Turkey was faced with the problem of energy and the rise in energy prices. It is a country that imports almost all its energy requirements. It had no alternative but to encourage exports, and it has succeeded in realizing an increase in exports at rates that sometimes comes to 60 percent. Rumania, also, has managed in recent years to pursue a strong program to encourage exports, and it has managed to transform the deficit in the balance of

trade and the balance of payments into a surplus in the last 2 years. Many countries are like that. We always have things to export. We exported 10,000 tons of watermelon the year before last, and last year we set out an export goal of 20,000 tons. We have in fact realized this goal, and there still is a surplus in production in the current months which can be exported, and we are exporting more than the target.

As regards citrus fruit, we exported 128,000 tons in 1982-83, and last year we exported the equivalent of 195,000 tons. Thus the effort to encourage and constantly promote exports constitutes the first line of defense for meeting our foreign currency needs.

I asked "Certainly, after exports there are many other lines of defense, in the forefront of which are the remittances from Egyptians abroad and tourist activity. These two categories can be exploited more fully. What is the situation regarding these two sources?"

The minister: We managed, in 1982-83, to attract, through official channels (the banks), the equivalent of about \$1,053,000,000. In the year directly preceding that, the money attracted did not exceed \$520 million. The next year, we have the goal of attracting \$1.2 billion, at a rate of \$100 million a month on the average. This increase in the savings of Egyptians abroad which will be brought in via banks will undoubtedly help us make up for some of the drop that is occurring in the oil.

Tourist activity can play a large role in contributing some of this compensation.

[On] our expectations, in the light of the monetary budget we are preparing, our plans for this monetary budget have been slight, since other resources from exports and the remittances of Egyptians are bringing an increase in resources which will make up for that expected volume of the drop in oil prices.

In addition, among some other factors which will help us to some extent overcome these difficulties and the foreign currency shortage is the drop in the interest rate on loans, especially banking facilities. As is widely known, the international interest rate, particularly with respect to the dollar and many other foreign currencies, has dropped this year, and it is expected that it will drop in comparison with previous years. Consequently, debt servicing this year is expected to be less than it was in previous years.

This does not mean that we are not faced with challenges in the area of foreign currency resources. However, there is no doubt that pursuing the method of planning and different means of developing our foreign currency resources in other areas besides petroleum will without a doubt help us manage these resources well and direct them properly, in accordance with the various priorities of the economy.

In the coming stage, our interest in developing our export policy will increase in a manner that will make it possible to make good use of the

opportunities available in the international buying markets. We are buying massive amounts of basic supply commodities. Foremost among these policies is the style of purchasing, which is an important matter. How can we use the international markets and purchasing styles that will bring about savings in some of our expenditures? We are trying to study methods of purchasing from international markets and to benefit from purchases on time in large volumes, when the market declines, in order to compensate for rises in prices in other stages. That is, the manner of purchasing, intervening and timing in intervening in the international market, and the volume of the materials that we buy at any moment are a matter that requires great awareness and attention and a high level of competence on the part of people who are responsible for the purchase of these commodities. That is what we need at this stage, so that we can reduce the money we spend buying a specific amount of commodities. This is a new area which had not previously been addressed. I expect that a large volume of foreign currency will be saved as a result of the use of modern purchasing methods.

I asked, "People understand inflation to mean the possibility of controlling a group of commodities through the income they obtain. What measures are you taking to fight inflation, so that its effects may appear directly on the consumer?"

#### Emphasizing Industry and Agricultural Production

The minister: In reality, to comment on that means raising more than one point. However, in the context of answering with respect to the 5-year plan, in its application in the first year, it would perhaps be useful for me to go on to state that in addition the economic policies in the various fields have also had the objective of attempting to absorb some of the inflationary pressure that is present in the economy, which, as I pointed out, is embodied in the introduction of new credit policies and limiting the increase in the volume of money, on top of an attempt to reduce the deficit in the general budget, as well as guiding imports in a manner which will at least reduce the patterns of consumption which prevailed previously and called for imitation and increased spending. The new economic policies also have the goal of correcting the structure of the Egyptian economy by concentrating on the productive aspects of this economy, on the agricultural sectors, which is embodied in more than one area.

There is no doubt that what has been achieved in the first year will impose a greater burden on economic policy in the coming years of the plan, because the attainment of a certain degree of success in the first year makes us anxious to continue increasing the rates of this success and to face the massive challenges.

I stated "One should imagine that more measures are necessary to guide imports, because the Egyptian market has been filled with all kinds of goods and products which could be said to be stripping away all desire to save and creating new consumption patterns!"

The minister: Any comparison between the import conditions that pertained last year and the import conditions before that will without a doubt enable

us to draw the conclusion that there has been a great deal of import guidance. There is no doubt that in guiding imports we do not have the objective of prohibiting the existence of commodities. To the contrary. Any economic policy ultimately has the goal of making it possible for the society and the various sectors of the economy to import everything they want, be they consumer goods, intermediary goods, or capital goods. However, in view of the well known nature of conditions in developing countries, including Egypt, that there are not enough foreign currency resources to achieve this goal in the early stages of development, it is therefore inevitable that there be priorities in spending this foreign currency, and that is the approach we tried to follow last year. That specifically stands out with respect to the structure of imports without the transfer of currency, which is a criterion or basic area for controlling the extent to which import policies are in keeping with the goals of society regarding development and the attainment of justice, because importing the requirements of the public industrial sector and the requirements of the government is a specific matter in the context of the government's basic requirements for basic supply commodities and so forth.

However, the basic criterion lies in controlling imports without the transfer of hard currency. Imports without the transfer of hard currency in Egypt in reality increased last year when compared with the previous year. That might be a surprise to some people, but it is a fact. Imports without the transfer of hard currency this year were around \$1.1 billion. Last year they were around \$900 million, and the year before last they were around \$1.03 billion. However, the radical change that occurred in imports this year was the large increase in the proportion of consumer goods imported -- the opposite of the case in past years. This radical change shows that the policies of guiding imports have created basic changes, where imports without the transfer of foreign currency are made to bring about the basic goal of furnishing the productive sector with the intermediate and capital goods it needs. That stresses that a large amount of the guidance has occurred, as far as importing goes. I do not argue that the guidance process is dynamic and that we must keep up with the radical changes that are occurring in the economy.

#### Giving Preference to Egyptian Goods Is a Voluntary Nationalistic Feeling

The interest in this dimension is clear from the assertions made in the president's speeches on the 23 July Revolution celebrations, and perhaps from the appeal for attention to domestic products and the appeal for citizens to encourage domestic products voluntarily in a manner which is not contradictory at all with the economic liberalization and is not contradictory with the encouragement of the Egyptian private sector, because, when we call for encouragement of domestic products, that is regardless of whether they are public or private sector products. I can state that this aims at holding onto everything that is produced by Egyptian hands. There is no doubt that it is an appeal that will play a large part in the processes of guiding imports, especially in the context of consumer goods in the form of foodstuffs and apparel. It is possible that the guidance committees, with the powers they possess, will also play a role in the attainment of these goals similar to those they played last year. We want society to adopt this

slogan, prompted by an innate, voluntary national feeling which we do not want to impose on anyone. That does not mean a lack of openness toward the outer world in the form of joint projects, modern technology, and the attraction of foreign investments. Nor does it conflict with, but to the contrary it will have the effect of encouraging, further foreign investments, since in this case it will create markets for what is produced.

Although this slogan will reduce imports of foreign goods, it will have the effect of increasing the participation of the private sector in the production field and consequently it ultimately will serve the private productive sector more than the private importing sector. However, there is another point of the utmost importance: to the extent that success is achieved in encouraging industries of primary materials, production accessories and equipment, consequently to that extent we will be able to obtain greater foreign currency which will encourage us and enable us to import. This matter is related to the dimension of time. Should we spend the money we have on importing now, or should we spend it to create products and establish factories, so that they will be able to increase our production and exports and consequently increase imports and commercial activity over the long range in general, especially in the area of foreign trade? Which of the two is preferable? There is no doubt that it is in the interests of all sectors over the long range for us to follow such policies, because they will lead to the strengthening of all these sectors.

I stated, "However, the banks complain of an absence of investment projects in which to invest their funds, which causes their money to pile up and keeps any benefit from being derived from using it."

The minister: As a result of these new policies, a surplus has been realized in banks that are looking for areas in which to put investments, especially industrial and agricultural investments. This surplus, which has undoubtedly been realized, undoubtedly represents a positive sign, not a negative one, because the fact that some of the surplus provided for investments in productive areas has been saved means that the credit policy has achieved the first step of its objectives. It then remains to achieve the second step, which is to invest this surplus in actual investment in the area of agriculture and industry. There is no doubt that it was not possible for us to start investing before this surplus was realized. Before that, this surplus was not available, and consequently investment did not exist in the productive sector to the desired degree, and there was an impulsive rush to direct credit to the commercial sector. Now that credit to the commercial sector has been restricted, the necessary surplus which was prepared for the productive sector has been formed, and now it remains to orient economic policy toward moving the banking system toward the use of this surplus on actual projects in the area of production.

The fact is that in view of what happened in the first year of the plan, in accordance with Central Bank figures, the money loaned to industrial and agricultural activity in Egypt in the first 9 months of the 5-year plan, from July 1982 to March 1983, came to about 580 pounds, while the money loaned out in the entire previous year was no more than 590 million! The figures for the final 3 months of the first year have not been determined,

but there is no doubt that if we take an average, that will mean that what was actually loaned out for productive activity in 1982-83 is greater than what was loaned out in the year directly preceding.

I stated, "The reduction in lending from deposits to 65 percent allocated to loans requires that the banks pay interest on the deposits. At the same time there are areas for investing money which have rules that restrict the banks, which lead to a decline in their profits."

The minister: If this argument is correct, we would expect that the banks that committed themselves to this ratio would realize a loss. There always is a difference between taking an opportunity and establishing activities on solid, firm, continuous bases for a long time. Some banks can realize some profit if they are given the right to expand credit as they like. However, if the banking system as a whole is given the right to expand credit as it likes, this must ultimately result in a catastrophe for the banking system as a whole. Consequently, the loss must ultimately affect everyone, and the banking system might go bankrupt and collapse, since, in this sort of case, if all the banks expand as they like, we will be engendering a sort of inflation which it will not be possible to control, and this will lead the banks to lend to groups of individuals and businessmen who are not at the requisite level of trustworthiness. Indeed, these banks will expand the grant of loans to persons who are not at the requisite level of trustworthiness and do not have adequate guarantees, and that will lead to a rise in the volume of loans which it will be difficult for the banking system to recoup, and this consequently ultimately might lead, as I mentioned, to a catastrophe for the banking system.

In reality, when we talk about profits, we cannot talk about profits over a single year -- rather, we must talk about profits over a longer time, so that we can see whether this discipline in credit has been to the benefit of the banking system or not. As we know, the cost of deposits in the banking system is on the average between 6 and 7 percent, because some deposits represent current deposits without interest and some deposits differ according to their period in terms of the interest rate imposed on them. As we know, the rate of interest on loans is at least 13 percent as far as the agricultural and industrial sectors go, and it could go to 16 percent. In conclusion, there is a difference between the creditor interest rate and the debtor interest rate, and this must provide a profit for the banking system. To that let me add the revenues the banking system receives from various services it offers. Ultimately the criterion is to look at the budgets of the banking system this year. All banks, as we know, realized profits; so far as I know there are no banks that realized losses. However, the narrow view of the interests of banks, in isolation, without a comprehensive view, will often lead to risks, and that specifically is not in the interests of the banks that might be harmed by credit controls.

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STUDY OF FOOD PRODUCTION, CONSUMPTION PROBLEMS

Cairo AL-MUSAWWAR in Arabic No 3059, 27 May 83 pp 28-33, 62-65

[Articles and interviews by Mamduh Muhran, Sayyid Zaki, Najwan 'Abd-al-Latif, Sulayman 'Abd-al-'Azim, and 'Atif 'Askar, under the overall heading: "Food in Egypt: A New View of a Serious Problem"]

[Introductory article]

[Text] Are we on the threshold of a real crisis as far as feeding our Egyptian citizens is concerned?

How long will we have to continue depending on foreign countries?

How has the food problem become a security problem?

Our patterns of consumption indicate that we are gobbling up every increase in production that we achieve! Right now we are studying the experience of all the world's nations in order to select the approach most suitable for our circumstances. It is possible for us to achieve self-sufficiency within a short period of time, but only on certain conditions.

The problem of food is not a problem which only Egypt has. All nations of the world suffer from this problem to varying degrees. Every nation is endeavoring to overcome this problem by utilizing its own approaches which fit its circumstances in all regards. But the food crisis in Egypt is one which has acquired special dimensions. It is not only a problem of increasing production, because this is something which is possible. The most dangerous dimension of the problem in Egypt is the fact that consumption is increasing at unexpected rates and that these levels of food consumption are far higher than Egypt's levels of food production. This is something which has impelled the government to allocate \$3 billion in its budget merely for the purpose of importing food--and this is in addition to what the private sector is already importing. The problem is not only how to procure these enormous sums of money. The problem is primarily the fact that it is necessary for us to rely on ourselves when it comes to providing our food rather than allowing the process of providing our daily bread to be in hands other than our own. Whoever does not have his own food is not free. For this reason AL-MUSAWWAR is sounding the bell of alarm and calling attention to the fact that it is necessary to exploit the initiatives taken by our president--initiatives which are still alive both

inside the country and abroad--in order to solve our economic problem, of which the food problem constitutes the most serious aspect. Our president has indeed succeeded in opening up for us the doors of modern technology from the Far East, with all the results that this could have for Egyptian agriculture in terms of a genuine revolution. Such a revolution could not only bring us to the point of self-sufficiency, but could also bring us to the point of being able to export food if we correctly utilize this new technology. Our experts have indeed achieved brilliant results which will be able to provide us with a tremendous increase in production. However, we should not stop at the point of merely applauding all of these successes because, if these achievements are not put into actual practice, then they will end up being like plowing the sea. What we need is to have all of our efforts pooled together, with complete cooperation and coordination, in order first of all to eliminate all of the deeply-rooted red tape problems which could spoil any serious work that is attempted.

We must also train experts on a large scale which would permit the introduction of these new experiments to the farmers who actually cultivate the land in order to thus have the results of the experiments be matched by results in actual farming. We must also institute a genuine revolution in the concepts of consumption.

Our patterns of consumption have taken on a scale which has gone beyond all reason--to the extent that we hardly find people anywhere in the world who consume as much as the Egyptians are doing. The reason we need to do this is that it does no good to have any increase in production if this is not matched by consumption control. In short, we need to adopt a new strategic view concerning food in Egypt, and it should be a view which deals with all aspects of the situation. This investigative report is an attempt on our part to clarify some of the matters concerned. The facts and figures which we have to present are facts and figures which are genuinely terrifying. Suffice it to say that we have actually been transformed into a nation which is a net importer of rice, and only a few years ago rice was our third-largest export. We should also realize, for example, that the average Egyptian family spends 56.3 percent of its income on food alone, whereas the average family in the U.S. spends only 20.9 percent of its income on food--that is, about a third of that which is spent by the average Egyptian family. We should also know, for example, that we import more than 60 million Egyptian pounds worth of fish per year, whereas we have fish in Egypt that no one wants to fish for. Right now we are utilizing only 25 percent of our fishing grounds in the seas and we are neglecting our fish farms inside the country. In fact, there are many things which this important investigative report will reveal!

[Article: "Serious Dimensions of the Gap Between Production and Consumption"]

[Text] Does the food problem in Egypt consist of the fact that there is a lack of production or of the fact that there has been an increase in consumption? In order to receive an answer to this question, it was necessary for us to consult the Central Agency for Public Mobilization and Statistics. This resulted in our having an interview with Rida Sayyid Ibrahim, head of this agency's central office. He said: "The modern age is distinguished by the phenomenon of concentration on consumption. Egypt is faced with an increasing desire on the part of its citizens to consume, whereas our industrial and agricultural production is unable to grow at rates which are sufficient to deal with this ever-increasing demand for foodstuffs. This increase in demand has been the natural result of the increase in our population and the fact that our people have acquired a higher standard of living."

He added: "The great increase in consumption has been the result of many factors. The most important of these factors has been the population explosion and the migration of the population from rural areas to urban areas. Most of the increase in consumption on the part of our increasing population has been food consumption, particularly animal proteins."

Mr Ibrahim then completed his picture of the factors responsible for the increase in consumption by saying: "The increase in wages and the increase in the size of the work force have not been matched by a similar increase in production.

"In my opinion, [other causes of the situation have been] the economic open-door policy and the increase in income for some categories of people which resulted from it, the disappearance of consumption guidelines as a result of the open-door policy after the sixties' recession, and various social factors which have arisen due to the rapid expansion of the media.

"I am also of the opinion that the increase in spending on government services--both free services and services rendered in return for a nominal fee such as educational and health services--have led to a decrease in people's willingness to accumulate savings which [normally would be used for] payment for these services. The consequence of this has been an increase in consumption."

We asked: "What is the problem with agricultural development? This is an area in which we can clearly see the elements of the food problem in Egypt--a problem which is on the brink of being a dangerous one. What are the manifestations of this problem as far as agriculture is concerned, and how can one deal with them?"

An answer to these questions was provided by Dr Sa'd 'Allam, consultant and director of the Agricultural Planning Center: "The food problem consists basically of the fact that it is not possible to obtain foodstuff necessities at prices which correspond to people's incomes. Some of the manifestations of the food crisis have been the disappearance of foodstuffs [from the regular markets], the emergence of the black market, and the intervention of the government in the process of distributing some foodstuffs. The most important and all-encompassing of these manifestations, and the one which has had the most effect, has been the great increase in the prices of foodstuffs and food items. This has directly resulted in increasing the subsidies paid for these foodstuffs year after year."

Dr 'Allam is of the opinion that the crisis consists of two aspects: "The first aspect of the crisis concerns production, and the second one concerns consumption. The total land area utilized for agricultural production in Egypt amounts to 5.5 million feddans, and the total area of land reclaimed during the past 20 years has been only 950,000 feddans.

"The most serious problem is the fact that much of the reclaimed land has been ruined because it has been neglected. Furthermore, there is now less total agricultural land because of the urban expansion which gobbles up from about 40,000 to 60,000 feddans per year. Also, in the case of some crops productivity per feddan has noticeably decreased. For example, there has been a decrease of 8 percent in the case of rice, 6 percent in the case of lentils, 2.3 percent in the case of fava beans, and there has also been a decrease in the case of onions and sesame. These decreases took place from 1970 to 1980. The production of wheat, on the other hand, increased by about 1.5 percent during this period."

Dr 'Allam agrees with Mr Ibrahim concerning the aspect of consumption and agrees with him concerning the increase in population and the appearance of new consumption patterns. He went on to say: "The nature of the problem becomes clearer if we realize that in 1973 Egypt had a surplus in its agricultural balance of trade which equalled 71.6 million Egyptian pounds. This surplus, however, was transformed into a deficit of 163.6 million Egyptian pounds by 1980. This is an indication of the food gap from which Egypt is suffering.

In other words, consumption is not being made up for by production. In the case of fava beans there was no gap at all. In fact, we were 101 percent self-sufficient in fava beans. However, [by 1980] there was a gap in the case of fava beans of about 8 percent. In the case of meat the gap was 3 percent, and it became 22 percent. In the case of fish the gap was 2.2 percent, and it went up to 8 percent. In the case of dairy products the gap was 4 percent, and it went up to 30 percent."

We asked: "This food gap applies to people. Is there also a food gap as far as animals are concerned?"

Dr 'Allam answered: "It is a fact that people and animals are competing with each other for the food which the ground produces, and the total area where food is cultivated is an area which is limited. Food is cultivated either for people or for animals. People, of course, always win out in the end because they eat the meat of the animals, but if we do not give sufficient food to the animals, then the meat problem will become worse. This is particularly the case with dry fodders such as concentrated fodder and oil-cake, the production of which suffices for only 35 to 50 percent of the total number of animals. The reason for this is that there has been a decrease in production efficiency on the land and in the factories."

Dr Ibrahim Hasan al-'Isawi agrees with Dr 'Allam concerning the problem of agricultural development in Egypt. He said: "Agricultural production in Egypt achieved high rates of development from the mid-fifties till the end of the sixties. This was a time when the government made many public investments in agriculture and irrigation. However, the opposite happened during the seventies and there was a slackening in agricultural growth when there was less intervention by the government and when public investments decreased, and the result was a slow-down in the process of agricultural development. So although the growth rate in agricultural production was from 3 to 4 percent during the sixties, this growth rate decreased to between 1.5 and 2 percent during the seventies."

"Furthermore, the share of agriculture and land cultivation [in the national economy] amounted to about 15 percent by the late fifties and 23 percent during the early sixties, but this share went down to between 8 and 10 percent during the seventies."

One could go on and on talking about the food gap. Husayn Taha al-Faqir, assistant instructor at the Planning Institute, is of the following opinion on the strength of his field study which he conducted in conjunction with the World Food Council: "The food gap is matched by a gap in just distribution of the food. This clearly emerges in the subsidies of the foodstuffs and the imbalance in the organizational and distributional structure of these subsidies as well as high prices of the foodstuffs which are subsidized via the grocers and cooperatives. The clearest proof of the lack of justice in food distribution is to be found in the distribution outlets and the variation in the number of such outlets, with no

consideration being given to the number of people whom they serve. What we find is that people standing in lines at the food cooperative stores in the Sayyidah Zaynab area [of Cairo] to purchase meat have to stand an average of 3 hours in such lines, whereas those who live in Heliopolis [Misr al-Jadidah] stand 1 hour for an average of only 45 minutes. Furthermore, the number of grocery and supply stores in Lower Egypt tends to be more than such stores in Upper Egypt, and there tend to be more such stores in urban areas than in rural areas. Also, differences in rationed goods and the lack of justice in the distribution of edible oils, rice, and other items have arisen as a result of the food crisis. One of the reasons for this was the crop structure policy which tended not to favor strategic foodstuffs such as wheat, fava beans, lentils, and rice.

In most cases, farmers are not compelled to plant a particular crop. This has led to the fact that certain areas which were set aside for the planting of basic foodstuff crops are now being used to plant truck farming crops, and this is due to the current system of setting prices. We should realize, for example, that each peasant is receiving 25 chemical [fertilizer] bags to use in the cultivation of each feddan of bananas, but that, in reality, the peasant is utilizing only 5 of these bags and is selling the other bags in the black market. For wheat he receives only three such bags, and he cannot do any such business with these bags. For this reason truck farming crops are more profitable for the peasants--since they are not subject to price controls and since they provide an opportunity to do business in the black market.

"Since the food problem has become worse, most of the income of the average Egyptian citizen is spent on food. In the Egyptian Delta area the average family spends 76.5 percent of its monthly income on food, and this percentage goes up as far as 97.7 percent for the average family in Upper Egypt.

"The result of this has been a decline in the level of each citizen's share of calories and animal proteins. Unfortunately, not only are we unable to endeavor to increase our levels of food consumption--we are even unable to maintain current levels. What the average Egyptian receives now represents 58 percent of what he used to receive during the early seventies. He used to receive 95.7 grams per day of proteins, whereas now he receives only 57.7 grams. The share of animal proteins per person used to be 13.4 grams [per day], but by 1981 this figure went down to only 3 grams. Calories received from bread have come to represent 88.6 percent of all calories received per person in Upper Egypt, they constitute 74 percent of the calories received per person in the urban areas."

#### Economic Consequences of the Food Crisis

What have been the economic consequences of the food problem in Egypt? Are we or are we not a people given to excesses when it comes to consumption?

An answer to this question is provided by Dr Ramzi Zaki, an expert at the National Planning Institute, who began by saying the following: "Improvement in food consumption a good thing because it indicates an improvement in the standard of living. This is one way in which the advanced countries whose peoples suffer from malnutrition and sometimes from either relative or absolute hunger. Furthermore, human beings have a legitimate right to have food. In addition to this, there is a close relationship between workers' level of productivity and their nutritional level. Malnutrition is one of the reasons for a decline in productivity. For this reason, one of the requirements of development is that money

be spent on food. This is particularly true in the case of children. In the backward countries many children's diseases are widespread--such as anemia, rickets, and retarded physical and mental growth. When a nation's children have such diseases, this means that this nation is neglecting its capital of the future.

"I would like to discuss the point which has been brought up recently concerning the fact that we are a nation which engages in excessive consumption and that the time has come for us to put a brake on food expenditures. When discussing this point, we must take the following facts into consideration:

1. No one disputes the fact that it is necessary to increase expenditures on food when there is a corresponding increase in population. Furthermore, as people's incomes increase--especially in the developing nations--they generally hasten to switch over from eating food of lower value to eating food which is of higher value.
2. Increases in expenditures on food do not constitute a problem in the cases of developing nations which are able to achieve real development, particularly in the field of agriculture.
3. The prices of foodstuffs have necessarily gone up as a result of the world-wide inflation which has raised the prices of imports and because of the lack of balance between the overall supply of, and demand for, foodstuffs. When foodstuffs prices go up, it is difficult for the broad masses of people to buy such items in the market. Many goods are thus excluded from the market where they normally would be sold.
4. If we look at the case of Egypt, we find that there has been an increase in the amount spent by the national government on food--both for importing food and for providing subsidies for food items. This is a serious matter since it means that Egypt, in recent years, has been depending on the outside world for the procurement of its food. We have been suffering from a continually declining degree of self-sufficiency in many of the items which we consume. This has been true, for example, of wheat, fava beans, lentils, corn, and meat. This means that our food security situation has been placed in the hands of other nations and means that we have now become subject to foreign pressures. Furthermore, the increase in imports and the increase in our trade deficit are having an effect on our ability to import semi-finished goods and the production requirements necessary to achieve development.

"If we look at the process of consumption, do we find that the increase in consumption means that there has been an increase in the rate of consumption by the average Egyptian? A good look at the statistics put out by the Central Agency [for Public Mobilization and Statistics] tells us that the average consumption of fish per individual has gone up from 2.9 kilograms in 1972 to 3.39 kilograms. The same has been true with poultry. The issue here is not one of calculating the levels of the increase in consumption. Rather it is a matter of the fact that this average food consumption figure is basically on a lower level than it should be. Furthermore, if we resort to using average figures as indexes, we find that the indexes are misleading. Otherwise, how can one explain the abnormal increase in wheat consumption which went from 113 kilograms in 1947 to 44 [as published] kilograms in 1979? This increase was probably the result of Egyptians making up for their decline in consumption of other items which are more costly.

"Average statistics are statistics which are blind and have no meaning unless one takes into consideration the social categories of people involved. The average figure for the entire nation may have gone up, but it is conceivable that this increase has been due to the increase in consumption on the part of particular social categories of people, whereas consumption by other categories of people has decreased. I doubt that the average share per individual of meat, poultry, and fish has gone up for all categories of people in Egypt in view of the tremendous increase in prices which has taken place. The same is true with regard to fruit consumption."

Generally speaking, if the absolute increase in expenditures on food is something which can be socially justified and is something which is also economically unsettling, nevertheless the situation cannot be successfully dealt with by means of putting pressure on food consumption and harassing our citizens by means of new ration card systems or raising prices. This must be done by means of dealing with the real causes which have led to this situation."

[Article: "Is Our Production Being Gobbled Up by Rabid Consumption?"]

[Text] Egyptian families spend an average of 56.3 percent of their household budgets on food, whereas families in the U.S. spend only 20.9 percent on food. Why is this?

It may happen some day soon that the world wakes up and is confronted with a sudden worldwide famine which threatens the existence of mankind unless we start, right now, taking the future into consideration and viewing the food problem as a problem which must be solved on a worldwide basis and solved via the combined efforts of all of the inhabitants of the Earth.

We in Egypt do not live in isolation from the rest of the world. We are suffering from this problem just as most of the other nations of the world are suffering from it. For this reason, issues such as production, income, the accumulation of savings, investment, the balance of payments, the balance of trade, price levels, the food crisis, and increasing consumption have become issues which preoccupy the average Egyptian man on the street and have come to constitute his foremost concern.

Today we are dealing with the phenomenon of consumption. Although this phenomenon has been of great concern to economic thinkers throughout the world, we in Egypt have only begun to be concerned with it recently. Consumption is a factor which influences many economic changes. What, then, are the dimensions and the significance of the issue of consumption as far as we are concerned? How has this issue influenced the Egyptian economy? Are we a nation which engages in excessive consumption? How do we consume, and what do we consume? In other words, what are the patterns of consumption in Egyptian society, and do they differ in accordance with the differences in the nature of Egypt's individuals? What is the solution to the problem of consumption? In an effort to seek answers to these questions, we have consulted a number of studies concerning the phenomenon of consumption.

#### Consumption and Its Economic Importance

The first thing we did was to interview Dr Nadiyah al-Tatawi concerning the analytical study which she did concerning the family budgets of a sample group of workers in the Egyptian industrial sector. This study of hers earned her a doctor's degree with honors, and her dissertation chairman was Dr Mustafa al-Sa'id, the minister of economy.

We asked Dr al-Tatawi: "What is the relationship between consumption and economic development in Egypt?"

She answered: "If we review the basic features of economic development in Egypt, we find that the Egyptian economy is one which has been characterized by a lack of balance between material economic resources and human resources. This imbalance is one which has taken place within the framework of a production structure which has been dominated by a single sector--the agricultural sector. Although the population increased 100 percent between 1947 and 1976, the increase in total cultivated land area was only 20 percent between 1952 and 1976. Furthermore, the average individual share of the national income was 44 Egyptian pounds in 1952, and this went up to 124 Egyptian pounds by 1975--that is, there was an increase of about 182 percent."

We asked: "Has the increase in consumption, which has been going on for a long time, been negatively affecting our national economy?"

She answered: "On the contrary. There have been periods of time in which the increase in consumption has played a positive role. This was particularly true from 1960 to 1965. During that period of time demand for goods affected the pattern of industrial production and there was a 60 percent increase in the worth of manufactured goods, especially in the case of the textile industry and the foodstuff industries. These are industries whose growth and development helped to bring about consumption. During the period from 1955 to 1964 our GDP increased from 1 billion Egyptian pounds to 1.9 billion Egyptian pounds. During this same period of time total private consumption increased from 753 billion Egyptian pounds to 1.33 trillion Egyptian pounds. However, production experienced a rate of growth which was higher than the rate of population increase. In addition to this, the agricultural sector switched over to the planting of crops with higher nutritional value.

"Although consumption increased 37 percent from 1960 to 1965, the economic policy in effect during that period had the aim of lowering the rate of increase in consumption down to the point of being less than the rate of increase in the GDP. This resulted in the fact that this rate of increase went down from 70 percent to 65 percent. This was achieved through taxes, expansion in the putting of social security systems into effect, deducting portions of people's incomes and putting them into savings, and increasing the prices of goods from time to time."

#### How Egyptian Families Spend Their Budgets

Let us momentarily take up the matter concerning how Egyptian families spend their budgets, how much of their incomes go into food, and what kind of food it is that they buy. Before we discuss the group of industrial workers covered by this study, let us attempt to give a general picture concerning how the budgets of Egyptian families are spent both in the rural and urban areas of the country. Our source for this is studies undertaken by the Central Agency for Public Mobilization and Statistics, using a sample group of 20,000 families from the various towns and villages of Egypt's governorates. The studies deal with the years 1960, 1975, and 1982. Concerning these studies, 'Abd-al-Salam Sultan says: "The goal of one of the studies was to find out which goods individuals were consuming in order to arrive at an estimate concerning the present demand [for such goods] and the structure of this demand. The purpose in doing this was to determine the consumption levels of these items when including them in the government's economic plan."

"A careful look at the consumption statistics tells us that people in rural areas spend more money on food than do people in urban areas. Also, people in the urban governorates spend the least on food. As far as spending money on housing was concerned in the urban governorates, this occupied second place [in people's budgets] in both 1964 and 1975, since they accounted for 14 percent and 13 percent of their total expenditures respectively. By 1982 this percentage went down to 8.5 percent. This was attributable to the great increase in overall expenditures by families and due to the fact that rents for old housing stayed the same and rents for new housing had not affected [their budgets].

"The same was true in the urban areas of both Lower Egypt and Upper Egypt. The rate of expenditures on housing in 1975 in Lower Egypt was 12.5 percent in the urban areas, and this figure went down to 9.8 percent by 1982. In the rural areas the figure was 10.3 percent, and it went down to 9.8 percent. In the urban areas of Upper Egypt the figure was 13.2 percent, and it went down to 10.7 percent, and in the rural areas the figure was 10.1 percent, and then went up to 10.6 percent.

"We note that expenditures on tobacco and air-conditioning went up noticeably, especially in the rural areas of Upper Egypt where this figure went up to 6.7 percent. In the urban areas the figure was 5.4 percent. In the rural areas of Lower Egypt the figure was 4.8 percent, and in Lower Egypt's urban areas the figure was 4.8 percent, and in Lower Egypt's urban areas the figure was approximately the same. However, in the urban governorates the figure was 5.6 percent in 1982. When Egypt is compared with the U.S., for example, we find that the average Egyptian family spends as much as 56.3 percent on food, whereas the average family in the U.S. spends only 20.9 percent on food."

#### Industrial Workers and Their Patterns of Consumption

There is no doubt that the pattern of consumption reflects the influence of numerous social, political, economic, and psychological changes. Also, the influence of each change varies from one group of inhabitants to another. The influence of social changes on the pattern of consumption of industrial workers is necessarily different from such an influence as far as private sector office employees or persons working in the free professions are concerned. Studies have proven that industrial workers spend 6 percent more on food than do office employees. This is why Dr Nadiyah al-Tatawi selected a sample group of female industrial workers who work in the public sector. All of these female workers had been married for at least 3 years and had children. The sample group was divided up according to income and educational levels. The result was that there were three subgroups in this sample group. Those in the first subgroup had received no diplomas and their family incomes were a minimum of 92.4 Egyptian pounds per month. Those in the third subgroup had diplomas of a higher level, and their family incomes were [a minimum of] 209.4 Egyptian pounds per month. The percentage of income spent on consumption was as follows for the three subgroups: 91.9 percent, or about 74 Egyptian pounds [for the first subgroup]; 90.7 percent, or about 100 Egyptian pounds [for the second subgroup]; and 90.9 percent, or about 168 Egyptian pounds for the third subgroup. These are high percentages, but they are consistently high among the three subgroups. This means that there is a single pattern of spending on consumption in spite of differences in levels of income and education. Higher levels of income are matched by higher levels of consumption. Food is the item which accounts for the highest single percentage of total income spent. People in the first subgroup spent 33 Egyptian pounds per month on food, those in the second subgroup

spent 44 Egyptian pounds per month on food, and those in the third subgroup spent 62.8 Egyptian pounds per month on food.

The only thing these statistics indicate is the decrease in the percentage [of income] spent on food as the level of income gets higher. The average income in the first two subgroups was not enough to cover the basic food requirements, but when the incomes of the families were enough to cover food requirements, these families began to spend money on the other requirements.

If we take a look at how the families from the three subgroups spent their money on the various types of food, we discover the following: Meat accounts for about one-third of the total expenditure on food. Families of the first subgroup spent 11 Egyptian pounds on meat per month, those in the second subgroup spent 16 Egyptian pounds per month on meat, and those in the third subgroup spent 21 Egyptian pounds per month on meat. The rates of expenditure on animal products, vegetables, legumes, and starchy foods tended to stay the same or decrease as incomes were higher. This indicates that they are things which were necessary for the families of all levels of income and education in the three sample subgroups. In the case of animal products, the percentages of expenditure of the incomes were 20 percent, 19 percent, and 18 percent respectively, and in the case of vegetables they were 9.4 percent, 8.4 percent, and 9.8 percent respectively. Among those families with lower incomes the consumption of legumes was higher since this provides an alternative to animal proteins, and consumption of legumes was correspondingly lower among families of higher income. The figures for the three subgroups were 5 percent, 4 percent, and 3 percent respectively.

As for fruit consumption, this represents a pattern of consumption which does not involve a basic necessity. For this reason, fruit consumption increases with increases in the level of income. The fruit consumption figures for the three subgroups were 8.5 percent, 10 percent, and 12 percent respectively, and in terms of money these percentages represent totals of 275 piasters, 435 piasters, and 715 piasters respectively.

This naturally leads one to ask the question: What are the food requirements for an Egyptian family, and how much does an Egyptian family need to spend on them?

This question was answered by Dr 'Ayidah al-Isfahani of the National Planning Institute, on the basis of information from her study concerning the economics of food and nutrition. She said: "When setting an economic policy dealing with food, it is very important that one have a sound and accurate view of the food problem situation. For this reason one must research all of the changes which affect food consumption. The most important of these changes is the increase in population. Although the rate of population increase in Egypt has decreased slightly--from about 2.5 percent in the sixties to about 2.4 percent in the seventies--the rate of increase in food production decreased sharply during this period--from about 3.5 percent in the sixties to about 2.1 percent in the seventies. This means that the increase in food production per individual was only 0.2 percent in the seventies, as compared with about 1 percent in the sixties.

Dr al-Isfahani was able to calculate the minimum cost of a sample of quantities of daily food consumed by Egyptian families from figures which indicate price

controls, prices set by collective government-controlled enterprises, and the prices for categories of food which were rationed for the period from July 1979 to June 1980--when the minimum cost went up to about 86 piasters per day, that is, 26 Egyptian pounds per month. This is something which must be taken into consideration when determining minimum wages, because one must guarantee that people have a minimum of healthy nutrition. If one takes into consideration the increase in the percentage of animal proteins [which Egyptian families are now eating] and uses, as a guide, meals of average cost, then the average amount spent each day by an Egyptian family is 104.5 piasters, and this comes out to about 32 Egyptian pounds per month. This is in spite of the fact that the minimum wage in Egypt is 20 Egyptian pounds [per month].

But one thing which is perhaps difficult to understand is the fact that consumption by the Egyptian labor force working abroad is having a negative effect on the Egyptian economy. How can this be? The answer to this question is given by Dr Ibrahim in his study concerning the new Arab social system. He got his information from the studies made by Dr 'Umar Muhyi-al-Din and Suzanne Masihah. Dr Ibrahim says: "The increase in wages received by Egyptians working abroad very quickly led to the emergence of new patterns of consumption. Whoever had not been able to buy electrical gadgets previously started feverishly going to stores, including stores selling goods from foreign countries, to buy them. If such people already had these electrical gadgets, then they started thinking about even more complicated gadgets such as video-cassette players, cars, and air-conditioners. Still other people might buy two of each of these items. In a study made concerning a sample group of [Egyptian] teachers in Saudi Arabia, it was found that they spend on the average 46 percent of their income in Saudi Arabia, save 28 percent of their income, remit 15 percent of their income [to Egypt], and spend 11 percent of their income on goods which they take with them to Egypt. None of the individuals in the sample group paid taxes to the Egyptian government. We found that the average individual in the sample spent about 6,877 Egyptian pounds--that is, what he would earn from his salary in Egypt during a 15-year period--about equally on durable and non-durable goods.

"In a study done dealing with a sample group of university professors, it was found that the pattern of savings and consumption among the individuals in the sample group was as follows: About 44 percent of their salaries earned abroad was spent in the host country to purchase consumer items, imported clothes, cars, and television sets. One-third of their money was invested in various projects and enterprises. More than half of them intended to buy a villa or a new condominium. One-third of those in the sample group had in mind to invest in project yielding material profits. Others in the sample group were putting their money into savings deposits."

Dr Ibrahim went on to say: "Our government has not been neutral and innocent in this regard. It has persisted in feeding these high material expectations. It has pampered the workers abroad and overlooked the law which normally requires them to send back to Egypt a minimum of 10 percent [of their earnings] at the official exchange rate. The government has also exempted them from paying taxes on income earned abroad. Also, the government has made no attempt to curb the phenomenon of excessive consumption by means of the many traditional tax policies which it has at its fingertips. On the contrary, the government has reinforced this trend of excessive consumption by opening up wide the doors of our country to imports, with the result being the Egypt's imports have increased 3,600 percent in less than 10 years. Neither the increase in our population nor the increase in the rate of inflation justifies this increase

in consumption. What has happened is that Egypt now has a new category of citizens who are earning a great deal of money, are engaging in excessive consumption, and have a hostile attitude toward the idea of paying taxes. In 1970 the percentage of our total imports which were consumer goods was 19 percent, but by 1975 this figure went up to 45 percent!"

Dr Ibrahim concluded by asking: "How long can this sweeping trend of excessive consumption continue?"

[Article: "Before the Beginning of the New Rice-Planting Season"]

[Text] The first revolution in rice cultivation in Egypt was one which accompanied the 1952 revolution. In that same year total rice production per feddan increased by 1 ton per year. When the High Dam was finished, we had a total area of 1.1 million feddans at our disposal for cultivating rice. Rice production then increased and our volume of rice exports came to total 700,000 tons per year. But this increase in production has begun to go down at a time when consumption of rice has increased. This has absorbed all of our production, and we have been transformed into a nation which is a net importer of rice. Scientists have recently discovered a new and revolutionary way to cultivate rice--and this is the second such revolutionary discovery--which can achieve an instant increase of between 1 and 2 tons in the production of rice per feddan. When will this revolution actually be applied in practice so that we can see the results as we saw the results of the first rice cultivation revolution?

A nation which does not produce its own food is not a free nation. Starting right now, AL-MUSAWAR is sounding the alarm. Right now we are on the threshold of planting a new rice crop. The production curve, according to recent indicators, is as follows.

After our rice production per year increased from 83,000 tons in the fifties to 2.4 million tons in the late seventies, it decreased again to 2.3 million tons during the beginning of the eighties. If preventive measures are not taken, this decline in rice production has also begun to decrease and is now 950,000 feddans after having been 1.1 million feddans. We are no longer an exporter of rice, and this year we imported 15,000 tons. We used to export 600,000 tons. The seriousness of this statistic alone lies in the fact that, at a time when we are pushing the slogan that it is necessary for us to produce our own food, we are following a policy of important a strategic food item which, up till the year 1970, we used to export what we had a surplus of.

Rice is important because it is our number two food commodity after wheat. Furthermore, if we had maintained our level of rice exports, the money received for these rice exports would be enough to pay for half of the price of the wheat which we are now importing. The reason for this is that the price of a ton of rice is about three times the price of a ton of wheat. And the problem becomes even more serious when we realize that we are paying a subsidy of \$1 billion per year in connection with the wheat which we are importing. Right now we would like to call attention to the necessity of taking measures to ward off this dangerous situation before the situation deteriorates further, especially since we are now on the threshold of planting a new rice crop. There have been a number of causes of this situation which is characterized by a lack of balance. We have the capability of eliminating most of these causes and beginning to restore the balance which we should maintain until new experiments in the cultivation of rice bear fruit and bring us their benefits. We are particularly justified in saying this since one expert has concluded that, if we maintain our current production under our same current circumstances, we could have 100,000

tons of rice in excess of our consumption needs. We know this for a fact, without having to go into the details of rice cultivation and production.

#### What, Then, Are the Problems?

What, then, are the problems that have brought us to this low point? There are reasons which have nothing to do with the production process. Of course, demand for rice as a food commodity is something which increases whenever our population increases. Everyone knows that our population increases at a rate of 1.25 million persons per year. In addition to this, our rates of consumption are not fixed ones. During the period from 1970 to 1982 the rate of [rice] consumption per individual increased from 30 kilograms to 40 kilograms per year--that is, an increase of 33 percent. Furthermore, in the case of a great number of people their consumption patterns changed. The people in the governorates of Upper Egypt are now consumers of rice, and they used to eat dried green wheat grains [Fariik] instead of rice. Another thing which has aggravated the problem is the fact that a large portion of our rice production has now begun to be used at poultry farms. This has happened because of the existence of two prices for the rice which is sold in the domestic market. One price is the price for rice which is sold, when food ration cards are presented, at a price of 5 piasters per kilogram, and each individual receives 1 kilogram per month. The government subsidizes this rice to the tune of 60 million Egyptian pounds per year. The subsidy for most of this rice is paid so that the price of the rice can be cheaper. But there is little demand to consume this rice because it is of poor quality and this is why it goes to the poultry farms. There is also the free [market] rice which is sold at a price of 14 piasters per kilogram, and the government subsidizes this rice to the tune of 10 piasters [per kilogram].

In both cases the low price of rice encourages additional consumption of it. It is impossible to follow a policy of consumption control with such low prices, especially if we realize how high the price of rice is in the world market. In fact, in the domestic market at locations where rice is planted and in markets which do not sell rice in conjunction with food ration cards, the price of rice per kilogram has now risen to 30 piasters.

Dr Sayyid al-Ballal, head of the Rice Research Department in the Field [Crops] Research Institute, adds: "The price policy is also a reason for some rice farmers switching over to [planting other crops] and is why many others of them are thinking about giving up rice planting. Rice farmers are confronted with a rise in the costs of planting per feddan and with the fact that the government is compelling rice farmers to turn over a portion of their crop [to the government] at a price which is barely half the price which rice brings in the markets not subject to price controls. The government compels the rice farmers to sell [to the government] 1.5 tons per feddan of their rice at a price of 95 Egyptian pounds per ton, whereas the real price of rice is between 150 and 200 Egyptian pounds per ton. "In light of these problems, even if we assume that we have an area planted that totals about 1 million feddans and a production of 2.3 tons of rice per feddan--and this is in accordance with the most recent indicators--our production should be able to take care of our domestic consumption requirements and we should be able to export at least 100,000 tons of rice per year during the next 10 years. This could be achieved by means of consumption control. That is, we can achieve this by raising the price for consumers or improving the quality of our subsidized rice and guaranteeing that it reaches those individuals who deserve to have it--and at the same time following an advanced price policy which guarantees that rice farmers receive a decent profit for their rice cultivation."

## Why Is Production Declining?

The above-mentioned problems have been the cause of the fact that everything which we produce is being gobbled up. However, we have seen that it is possible to have some of this production left over if we engage in consumption control and follow [better] price policies. But what are the reasons responsible for the fact that our levels of production are beginning to decline?

One reason is the fact that much of our agricultural labor force has abandoned farming, and the wages of those who have remained have gone up. This has caused some farmers to abandon [the planting of rice] and switch over to the planting of other crops such as vegetables. Also, others have switched from the method of cultivation by planting seedlings.

Dr 'Abd-al-Fattah al-'Azizi, senior researcher at the Field Crops Research Institute at the Agricultural Research Center, has the following to say: "Rice is the crop which is planted after wheat. About 75 percent of the land planted with rice is land where wheat has been grown. Delays in the harvesting of wheat cause delays in the planting of rice. This is something which causes a decrease of 30 percent in the rice crop. The real seriousness of this problem emerges if we realize that 50 percent of the areas where wheat is grown--and which are subsequently planted with rice crops--experience delays in harvesting. This represents 97 percent of the area where it is planted in the governorates of al-Daqahliyah, Kafr al-Shaykh, al-Buhayrah, al-Sharqiyah, al-Gharbiyah, and Dumyat.

"The decline in the rice crop, which was the one cereal crop which covered the needs of domestic consumption and also provided a surplus for export, is also due to a number of other reasons. One of these reasons is the fact that there is insufficient irrigation water for rice crops at the end of the irrigation ditches in order to cover the requirements of the seedlings and the land under perennial irrigation. The reason for this is that grasses and weeds obstruct the flow of the water to these areas. Also, there are not enough tools and machinery for cleaning [the irrigation ditches] at the right time. Also, there is not sufficient rice seed available to cover the areas which have been set aside for the planting of this rice crop. This is something which forces the farmers to purchase their seed from the market. Such seed is usually afflicted with diseases, is an inferior variety, contains extraneous plants which cause diseases, and is not resistant to pests and plant diseases.

"In view of the fact that the land in Egypt differs from one area to another in terms of its fertility, a program has been established to create strains of rice which can be used for planting both in fertile land and semi-fertile land. Another program has also been established to create strains of rice which can grow in spite of salt content in the soil and can be planted in land with high salt content which has been recently reclaimed.

"These have not been all the efforts that have been made. Numerous types and strains have been imported from abroad, they have been tested under our local conditions, and we have crossbred those with the best characteristics with our local strains. One of the strains imported from the Philippines has demonstrated that it is better than all of the other types and strains. We have called it the 'Jizah-1805' strain. This strain is distinguished by the fact that it produces many branches, is resistant to the phytophthora disease, is short in terms of its height, has large ears, and produces long grains of the type which is suitable for foreign markets."

## Planting Two Rice Crops

"Scientists have continued their efforts to conduct experiments in the planting of two rice crops [per year], with the first crop being an early crop planted during the latter part of April and the second crop being planted in July. With these experiments they are being guided by the experience of the Philippines where two and sometimes even three crops are planted [per year]. For this reason, many strains and sorts of rice with a short growing period were imported and they were experimentally planted as two rice crops in the central area of Egypt and in the northern Delta area, and these crops are being compared with the single rice crop that is normally planted in Egypt, using domestic strains of rice. It turned out that the second rice crop provided results which were economically unsatisfactory. The Rice Research Department then imported, from the International Rice Institute in the Philippines, some types of rice which grow only to a short height, and in an effort to continue to achieve its objective, the Rice Research Department selected one of the imported strains in order to experiment with cultivating it in two different rice crops. This experiment was then repeated last season, with two methods being followed: The first method involved [merely] planting a second rice crop, and the second method involved sprinkling with fertilizer--that is, after the first crop was harvested, nitrogen and phosphate fertilizers were added to the soil [to stimulate the growth] of the second rice crop ."

## Al-Jabali's Experiment

Within the framework of experimentation in planting two crops of rice in a single year, Dr Mustafa al-Jabali, former minister of agriculture, in 1975 imported a strain of rice from the International Rice Institute in the Philippines and asked the Rice Research Department to plant it as two crops. A complete record of observations was kept concerning the experiment.

Concerning his experiment, Dr al-Jabali says the following: "My motive for conducting this experiment was to solve the problem which our country had begun to face because of the fact that we were no longer exporting rice, because all of our rice production was being gobbled up even though we had a great deal of it, and because we were unable to make any changes in the cropping pattern which we had established, especially since any increase in the area used for any crop would necessarily be at the expense of some other crop. This situation impelled me to consider the necessity of our pursuing vertical expansion. This was the beginning of the approach of solving the problem by increasing the productivity per feddan by means of utilizing the results of new experiments dealing with improvements in services and applying fertilizers. The Ministry of Agriculture is now pursuing this angle, in cooperation with the California Project which is being financed by U.S. aid. The objective of this project is to increase the productivity per feddan from 2.3 tons to 3.2 tons. This is to be done by means of providing continual guidance and instruction to the rice farmers, in addition to the introduction of mechanization in order to decrease production costs." Dr al-Jabali feels that it will be difficult to achieve nationwide application of the results of these experiments in Egypt's land areas which are planted with rice. He also feels that the consequences of the increase which can be achieved via this approach will provide for our domestic consumption needs for a period of time lasting no more than 10 years.

"The second approach, which was begun by the Academy of Scientific Research in 1980, has the objective of making use of scientific strains of rice which mature early and are highly productive. These results were the ones arrived at by the International Rice Institute in the Philippines during the past 5 years. These

new strains of rice have been introduced in many of the nations of Southeast Asia such as Indonesia, China, the Philippines, Thailand, Korea, etc. As a result of this, these nations, which used to be areas which had a shortage of rice, are now areas which have a surplus of this commodity."

He went on to say: "The experiments begin in Egypt on a limited scale in 1981 in the governorate of al-Daqahliyah, where highly-productive strains of rice were planted over an area of 65 feddans on some of the agrarian reform lands. The results achieved indicate that the planting of two rice crops, using these strains of rice, can result in a production of 4.3 tons per feddan. This represents an increase of 2 tons over our current production. In 1982 this experiment was then tried out over an area of 600 feddans in the governorates of al-Daqahliyah, al-Buhayrah, and Kafr al-Shaykh, and the same results were achieved."

Dr Yusuf Wali, minister of agriculture, has agreed to establish a new program for expanding the application of this experiment over an area of 12,000 feddans during the upcoming crop season in the governorates of al-Daqahliyah, al-Buhayrah, al-Sharqiyah, al-Gharbiyah, Damietta, and al-Fayyum. Concerning this, Dr al-Jabali says: "We expect that the crop planted in these areas will result in the nationwide application of these strains of rice--which means that they will be planted as two rice crops over an area of 2 million feddans and will yield 4.6 million tons of rice. This will mean an increase of 2.3 million tons and will mean that our production will have doubled."

#### So That Scientists Will Not Be Plowing the Sea

"Bringing productivity up to these levels is not something which will result from a vacuum, nor can it be achieved under normal circumstances. It is necessary that certain conditions be present in order for productivity to be as high as these experiments have shown that it can be, otherwise all the efforts that are made in this direction will be efforts which will have been in vain. "It is not only the strains of rice that are responsible for increases or decreases in rice production. The creation of any new type of rice must be accompanied by a study of the most appropriate agricultural processes that should be followed with these strains of rice during the stages of their growth in order that the rice yield the largest economically profitable crop and have the best commercial and consumer-oriented characteristics. This is something which requires a trained and vigorous instructional guidance apparatus which is able to get its ideas through to the rice farmers and teach them everything [about planting the new rice] -- from the beginning till the end of the whole process.

"These processes begin with the method of planting. It has been demonstrated that the method of cultivation by planting seedlings is preferable to the method of direct cultivation, whether the latter method involves planting at random or in rows. There is also the matter of seed selection. One should plant the selected seed which the Ministry of Agriculture distributes to the farmers. This is seed which results in greater productivity per feddan if one follows all of the recommended agricultural processes. Also, studies have shown that the best time of the year for planting is during the first half of May. Any delay in planting will lead to a great decrease in the crop, an increase in the likelihood that the crop will be afflicted by the phytophthora disease, and to the emergence of some commercial deficiencies in the rice grains.

"Then there is the matter of application of fertilizer. It has been shown that one gets a larger crop when one adds nitrogen and phosphate fertilizers after the [second plowing, and then carries out immediate flooding] of the rice fields .

Furthermore, the rates of utilization of fertilizer also play a role in determining the level of productivity of a crop. Another of the agricultural operations which must be strictly observed is the time of harvesting. Experiments have shown that the best time to do the harvesting is about 45 days after the first ear of rice has appeared. Delays in the harvesting will cause more of the grains to be broken during the blanching process. Also, if one does the harvesting too early, this can cause a large percentage of the grains of rice to be calcareous and green. In addition to this, it has been demonstrated that the most appropriate amount of seed to use per feddan is 40 kilograms of seed. If one uses more seed than this, one is wasting a lot of rice which could be utilized in other areas.

"In addition to these agricultural processes which should be strictly observed during the cultivation of the rice in order that a given strain of rice result in maximum productivity, experts mention a number of other elements. These elements include, for example, the age of the seedlings. It has been shown that the best seedlings to plant in perennial irrigation fields are seedlings which are 35 to 40 days old. It is always better when the seedlings are young ones. Also, the distance between the seedlings should be between 15 and 20 centimeters. Whenever the distance is more than this, this encourages late growth of branches in the rice plants. This is something which leads to the emergence of calcareous and green grains of rice during the blanching process. Furthermore, there should be no more than three or four seedlings in each hole, and this is in order to allow the plants to grow a reasonable number of branches. If one puts a large number of seedlings in a hole this will mean utilizing large quantities of seed, in addition to the fact that the utilization of so many seedlings will cut down on the number of branches grown by the rice plants.

"One of the most important operations in rice planting is that of combatting weeds and grasses, whether this is done by manual or chemical means. Not only do these weeds and grasses compete with the rice plants for nourishment. They also represent a source for the spreading of pests and plant diseases to the rice plants. In addition to this, in the cultivation of rice it is very important to take care of irrigation and drainage matters since this is something which affects each feddan's productivity.

"Studies presented by the Ministry of Agriculture admit that the results of the studies and research conducted concerning all of the above-mentioned factors have not been translated into information which has been passed along sufficiently to the rice farmers. This is something which we demand to have done during this crop season in order that we achieve the great revolution in rice planting which will take place as a result of President Mubarak's trip to the Far East. This will take place when we make nationwide application of the experiments which utilize a type of rice which is neutral in terms of sensitivity to light--a type of rice which we have imported from Japan and which can be planted at any time of the year. This will also happen when we make nationwide application of the methods of agricultural mechanization which we have begun to experiment with on a small scale and which we will expand the application of during this crop season--in preparation for making use of these agricultural mechanization processes all over the country. This must be done in order that we have complete results. Improving the strains of rice represent only one side of the coin. Agricultural mechanization represents the other side of the coin, provided that all of the other agricultural processes which we have already mentioned are utilized at all times."

### The Role of Mechanization

"Mechanization plays a basic role in increasing the productivity of a rice crop. By means of mechanization one overcomes most of the problems which we have been complaining about up till now. Although the process of creating new strains of rice--whether they are domestic strains or those which we have recently imported--represents a new turning point in rice production in Egypt, the picture is not complete unless we utilize modern means of mechanization in planting the seeds, the harvesting and winnowing processes, and then the process of gathering the crop together. Mechanization not only increases productivity. It also can enable rice farmers to reduce their present rice cultivation costs per feddan by 40 percent. It does this by saving large amounts of money which would otherwise be spent on workers' wages and the preparation of seedlings--and preparing seedlings by means of mechanization is only half as expensive as doing so by manual means. Studies made of agricultural processes dealing with the cultivation of rice have shown that the actual cost runs as high as 88 Egyptian pounds when traditional methods are used, whereas this cost is not more than 75 Egyptian pounds when mechanized methods are used. Also, when traditional methods are used in the harvesting and threshing processes, the cost is only 38 Egyptian pounds when mechanized methods are used. This means that the cost per feddan when mechanization is used would be 113 Egyptian pounds--that is, the total cost would be 142 million Egyptian pounds [for Egypt's total rice crop], whereas, if traditional methods are used, this cost would be 199 Egyptian pounds [per feddan], and this means that the total cost would be 249 million Egyptian pounds [for Egypt's entire rice crop]. This means that mechanization would save a total of 107 million Egyptian pounds."

### This Is Not the Only Attempt

"This has not been the only attempt to mechanize rice cultivation in Egypt. There is another attempt which we have undertaken in cooperation with the Japanese, and it is an effort which we will expand at the beginning of this crop season and the effort will be applied over an area of 60,000 feddans. It began with the visit of a Japanese rice cultivation expert to Kafr al-Shaykh, where 120,000 feddans are planted with rice, to conduct studies and research there concerning the possibility of mechanized rice cultivation. Several analyses have been made of samples of soil in both Egypt and Japan. What have been the results of these analyses?

"Mechanization is possible [in Egypt], and the soil is suitable for mechanized cultivation. All we have to do is to take the first step along a road which has already been trodden by the other countries of the world. We alone have remained 'prisoners' of traditional cultivation methods!"

"In August of 1981 the Ministry of Agriculture, together with the Japanese International Cooperation Agency, concluded an agreement concerning the introduction of a complete program for mechanizing the processes of planting seedlings and harvesting rice [in Egypt]. The area selected for this was a field, the total area of which is 10 feddans, and it is located in the district of Qallin in the governorate of Kafr al-Shaykh. This field will be utilized for conducting the experiment. Further experimentation is to be done at a model farm, whose total area is 100 feddans, in the village of Mit al-Dibah."

"The project," according to Dr Ahmad Farid al-Sihriji, "is a grant from Japan

amounting to about \$10 million, for a period of 5 years. There are two elements to the project. There is the technical element involving having the Japanese furnish \$3.75 million in the form of agricultural machinery and equipment, surveying and field installations, salaries for the Japanese experts, and preparation of the rice fields for the experiment, including the building of roads and drainage ditches and cleaning and dredging [the irrigation ditches]. The Egyptians are to contribute only about \$450,000 toward this facet of the project. The second element of the project is the material one, in connection with which the Japanese are giving us \$6 million to set up a complete training center over an area of 5 feddans in the village of Mit al-Dibah. The condition was that this be completed during the second year of the project--that is, 1982. This center includes experimental laboratories, training rooms, maintenance workshops, grain storage areas, residential buildings for housing both the personnel being trained and those doing the training, a cafeteria, and a restaurant.

This center will be training 200 farmers as well as agricultural technicians and engineers in each course given, and the center will give ten courses per year. This center opens next March."

What important results have been achieved by the project?

Dr al-Sihriji says: "We have shortened the period of preparation of the seedlings. It now takes 20 days to prepare them, whereas it used to take 40 days when preparing them manually. Furthermore, mechanized cultivation takes place at a time of the year which is earlier than the times used for cultivation by hand. This earlier time of the year utilized by mechanized cultivation allows the areas planted with rice to be cleared more quickly. This provides sufficient time for other crops or for preparing the next type of crop which follows rice in the crop cycle.

"The project will utilize new strains of rice for the first time in Egypt. These strains of rice are distinguished by the fact that their rate of growth is quicker than the rate of growth of the other normal strains of rice. These strains of rice have short stalks and thick rice ears which enable the Japanese harvesting machines to quickly harvest the rice without any losses in production. In addition to this, the mechanized planting processes occur quickly and efficiently enough to have the rice plants grow on schedule."

[Article: "We need a Comprehensive Review of Our Fish Resources Situation"]

[Text] Fish are considered to be one of the principal sources of animal proteins. The nutritional value of fish is equal to that of the nutritional value of red meat. Egypt has six areas which are the sources of its fish, and they are the following: the coastlines of the Red and Mediterranean Seas, and the fishing grounds in the high seas; the northern lakes, that is, the al-Manzalah, al-Burullus, Idku, and Maryut Lakes; the coastal lowlands, that is, the al-Bardawil area, the Bur Fu'ad saltworks area, and the Bitter Lakes; the lakes inside the country, that is, Birkat Qarun, Wadi al-Ruwayan, and Lake Nasser; the Nile River as well as its branches and tributaries inside the country; and the fish farms that are being set up. In spite of all of this, according to published statistics--and one must say that they are misleading statistics which are not accurate--[Egypt's fish production is] 161,400 tons. Every year Egypt imports 110,000 tons of fish, and this costs the country more than 60 million Egyptian pounds in hard currency.

There are some other problems involved in Egypt's fish production, and Dr Ramadan al-Sharif, head of the Economics Department at the Marine Sciences Institute, sheds some light on them for us. He says: "The most dangerous of these problems is the fact that the northern lakes--that is, the al-Manzalah, al-Burullus, Idku, and Maryut Lakes--are being drained for the purpose of transforming the drained portions of these lakes into agricultural land, and no thought is being given to the tremendous losses which are being suffered because of this. All of the Maryut Lake, the total area of which is 34,000 feddans, used to be used for fishing. But this total area has decreased to 17,000 feddans--that is, down to 50 percent of its original area--because of drainage. This lake is considered to be one of the most fertile of the Egyptian lakes in terms of fish production, even though parts of it have been polluted. In fact, it is considered to be one of the most fertile lakes for fishing in the world. Between 1976 and 1981 this lake's average fish production was about 12,000 tons per year, and this means an average of 640 kilograms of fish per feddan per year. This level of production on the part of Maryut Lake is three times the level of production per feddan of the Mediterranean Sea and the Abu Qir area for the same time period, in spite of the fact that the fish from Maryut Lake are sold at prices which are lower than those of the fish taken from the sea."

Dr al-Sharif went on to say: "Maryut Lake's fertility in terms of fish production has led the Ministry of Agriculture and the Academy of Scientific Research to take a precise scientific inventory of the lake's fish production. They began by making an estimate of the lake's production in October 1982. Initial results showed that the lake's productivity of fish per feddan in 1982 was 800 kilograms. In spite of this, however, the governorate of Alexandria appropriated 130 feddans of the productive area of the lake in order to set up a fish farm, the cost of which was 1.5 million Egyptian pounds, and the governorate undertook this action without consulting the appropriate government bodies which issue decisions concerning the allocation of land and areas for fish farms. Furthermore, during the period from 1978 to 1982, and via the government's Food Security Organization which is in charge of this fish farm, the governorate fished 132 tons of fish from this area of the lake. Of this amount, 50 tons were fished in 1981, and this represents an average of 384 kilograms of fish per feddan. However, the normal production rate of the lake was 800 kilograms of fish per feddan. In spite of this, in 1982 it was decided to drain this area of the lake in order to divide it up into model basins. This drainage operation cost a total 806,000 Egyptian pounds, and it resulted in no benefit or increase in production. On the contrary, during the same period of time this area experienced a decrease in production estimated at about 520 tons. If the 132 tons of fish caught by the Food Security Organization had been sold in the market, the total loss up till now in terms of value of the fish from this area would amount to 582,000 Egyptian pounds. This is only in terms of fish. If we add to this total an additional 806,000 Egyptian pounds which represents the cost of the drainage operation, the total loss up till now would amount to 1.4 million Egyptian pounds. This proves the fact that the fish farm experiment covering 130 feddans has been a failure, and accounts for the fact that on the part of the governorate right now is to transform this drained area into residential areas which will be part of the governorate of Alexandria."

Dr al-Sharif goes on to say: "What happened in the case of Maryut Lake is a simple example of how fish resources are being wasted in Egypt, especially if we realize that the governorate of Alexandria right now is endeavoring to take over another 306 feddans [of lake fishing area]. If 10 percent of the money spent on

drainage were spent on developing the fish resources in these lakes, they would provide far greater production than they are providing right now. People are saying that the best land for farming is land that has been drained from lakes, but this is not true. Draining such land requires the expenditure of enormous sums of money, and reclaiming such land is an operation which goes on for more than 10 years before the land can be even relatively profitably used for agriculture.

"Drainage of lake and coastal areas has resulted in losses of fish from these areas amounting to millions of Egyptian pounds. In order to cover this loss, the government is now importing fish from abroad at high prices. Egypt imports 110,000 tons of fish annually, and the price per ton of such imported fish is more than 600 Egyptian pounds. This means that the government is paying out more than 60 million Egyptian pounds of hard currency [per year for this imported fish], is then selling the fish to individuals [in Egypt] for less than cost price, and the state budget must make up for the difference in the two prices. Furthermore, these drainage operations have had serious social consequences because transforming the fishermen into farmers has been a failure. This failure has been shown to be a fact ever since the experiment conducted in 1962. This experiment involved giving land that was drained to fishermen so that they could farm it. Before this experiment took place, each fisherman involved would, for example, catch five kilograms of fish and sell them at a price of 1 Egyptian pound per kilogram. There is no doubt that fisherman earned more money doing this than they later did when farming."

We asked: "Fish prices in Egypt are high even though Egypt has vast water areas [where fishing can be done]. What are your remarks about this?"

Dr al-Sharif answered: "Some clarifications must be made concerning the prices. As we know, the prices of 90 percent of the catch of fresh fish in Egypt are subject to the pricing system of supply and demand. The government has no authority when it comes to setting prices of these fish. Fishermen in the private sector do their own catching and marketing of their fish. The other 10 percent, however, is fish produced by Lake Nasser, and fish from this lake are subject to government price controls."

Hasan Amin, deputy minister for fish resources in the Ministry of Agriculture, had the following to say: "At the present time the ministry, together with the local councils in the governorates, is studying the possibility of setting up a national government agency, the task of which will be to be in charge of fish resources. Since 1962 numerous government agencies have been in control of fish resources. The ministry has also, together with the Academy of Scientific Research, begun to implement a 3-year program costing 300,000 Egyptian pounds which involves the setting up of centers for taking an inventory of fish resources. These centers have been located, in particular, at the outlets of the northern lakes and along the Red and Mediterranean Sea coastlines in order to determine what our fish production is. The results should be quite different from the statistics which we have at present, because our current statistics were gathered in a haphazard fashion--the reason being that the census-taking centers which we did have stopped functioning in 1967. Initial reports indicate that production by Maryut Lake is 12,000 tons per year, whereas our current statistics indicate that Maryut Lake's production is only from 5,000 to 6,000 tons per year."

Mr Amin added: "Since last year a new policy has been set for the Fishing Equipment Company concerning the equipment which is needed by the fishing sec-

tor and which is in demand by fishermen. Both the head of the Water Resources Branch Federation and the deputy head of this organization have been appointed as members of the Foreign Purchases Committee in this company in order that their expertise be utilized with regard to the matter of furnishing the necessary equipment. The government has exempted this equipment from customs duties. Last year there was a total of 5 million Egyptian pounds worth of imports of fishing equipment for the cooperative enterprises."

Mr Amin went on to say: "What this sector must have is a genuine revolution. This will require a comprehensive survey of the northern coastline in order that we learn how deep fishermen should fish, which areas are frequented by fish which swim at the surface and those which swim at the bottom of the sea, and in order to compile charts of these areas in order to furnish them to fishermen. Right now the ministry, in cooperation with the Italian government, is completing a study involving carrying out this survey. The ministry is receiving a grant of \$1.5 million from the Italian government in connection with this project. Furthermore, an agreement has been reached with Italy concerning the provision of a grant for academic and professional training for fishermen in the Mediterranean Sea area, and the grant amounts to a total of \$850,000. In addition to this, the ministry right now, together with USAID, is undertaking the establishment of a national project in the al-'Abbasah area in the governorate of al-Sharqiyah. The project covers an area of 1,500 feddans and has a [fish] farm which covers an area of 10,000 feddans where experiments will be conducted and training will be carried out. The administration buildings have already been completed, they have already been hooked up to the electricity network, and a great deal of the project has already been completed. During the next few days President Mubarak is going to make an inspection trip and see how work is proceeding in the project. Of the total cost of the project, the U.S. is paying \$27 million and Egypt is paying 6 million Egyptian pounds. In addition to this, another national center for fish cultivation is being set up. Still a third project is being set up in Maryut Lake over a total area of 3,000 feddans, the project is being carried out in cooperation with the World Bank, and the total cost of the project is \$11 million. The ownership of these projects will be handed over to the fish cultivators."

Mr Amin added: "The Ministry [of Agriculture] has asked the Ministry of Finance to increase the capital fund for subsidizing cooperative enterprises from 1 million Egyptian pounds to 2 million Egyptian pounds in order to enable it to cover all requests. The ministry, together with the Fish Resources Federation, is considering setting up a 'fisherman's bank' in order to furnish the necessary loans. Furthermore, implementation of the Fishing Law is one of the most important requirements which we need to carry out in order to increase fish production in Egypt. We must prevent fishing which is in violation of the law and we must have stiffer penalties for such fishing. Last year the police seized 208 tons of fish which were illegally caught in the al-Manzalah Lake area. Since these fish were not allowed to stay in the lake and grow for 6 more months, this represents a loss of approximately 4 million additional [Egyptian pounds]."

Dr 'Abd-al-Hamid Salih, professor of microbiology says the following: "One thing which confirms the importance of abundance of fish resources is what was said by the biologist from Johns Hopkins University in the U.S. He said that marine fish farms are a far better source of animal proteins than are barnyards with animals. He said that a square mile of a fish farm furnishes about 900 tons of fish per year, whereas a herd of cattle from a square mile of pastureland provides only about 1.5 tons of meat [per year] if the pastureland is poor, and this might be as much as 80 tons per year if the pastureland is good pastureland.

Therefore, animal production at best can equal no more than 8 percent of fish production when such animal farms are utilized well. "At the present time the world is extracting 60 million tons per year of fish from the world's water resources. Of this fish production, all of the Arab nations together are taking no more than 2 percent. This is a very small percentage when compared with the size of the population and the abundance of water areas [in the Arab world]. At the same time, Peru and Chile alone are catching 12 million tons [per year], and this is ten times what all of the Arab nations together are catching in terms of fish.

Dr Ahmad al-Rifa'i, head of the Marine Sciences Institute, particularly stresses the importance of legislation for the protection of our fish resources in Egypt. He had the following to say: "Egyptian lakes are a valuable treasure which should not be squandered, even though continual efforts have been made to eliminate them. When the French invaded Egypt, the total area of these lakes was 1,057,000 feddans. By the year 1982 this total area had shrunk to 600,000 feddans. It is not right that our remaining lake areas should be drained at a time when other developing nations are endeavoring to increase their own water resource areas. Furthermore, there is no legislation which regulates the establishment of fish farms in Egypt. We need to have clear legislation for these fish farms in order that they provide for the future of the development of our fish resources in Egypt. We also need to have personnel capable of working in the fish farms, utilizing technology which is suitable for the environment in Egypt. Sometimes we bring in technology which has been newly created--but which is not suitable for our local circumstances or which cannot be put into operation in Egypt. We must also minimize losses. This can be done if we pool and coordinate our efforts in order to work for the sake of our national interest, and in order to do this we need to have a 'protocol.'

"For this reason, the Marine Sciences Institute should endeavor to benefit from cooperation with Japanese experts in this field, especially since the institute does not have even one boat.

"This is why President Mubarak's trip to both Japan and China was so important. Each of these two nations has its own technological approach. Japan excels when it comes to methods utilized in the seas and high seas, whereas China concentrates on methods involving fresh water fish farms of the type found in various parts of China.

"A responsible source in the Ministry of Agriculture has stated that the three fishing resources companies are suffering financial losses. These three companies are the General Egyptian Fishing Equipment Company, the Northern Fisheries Company, and the Egyptian High Seas Fishing Grounds Company. There are several reasons why these companies are losing money, the most important of which are a lack of cash liquidity and high interest rates on loans. Interest rates on loans are now 15 percent. The General Egyptian Fishing Equipment company is providing technical and financial support for fishing cooperatives all over Egypt. It is doing this by means of providing these cooperatives all over Egypt. It is doing this by means of providing these cooperatives with fishing equipment. These cooperatives have up to 4 years to pay for this equipment. At the present time these cooperatives owe 800,000 Egyptian pounds to the company. This situation has made it impossible for the company to invest capital in the conclusion of new deals to purchase more fishing equipment, and there has been a delay in opening up lines of credit [for the company] because Egyptian banks do not have sufficient [funds in the form of foreign] currencies.

The Northern Fisheries Company has suffered losses amounting to 750,000 Egyptian pounds because of the construction of a branch of the Suez Canal in the Bur Fu'ad saltworks area--and this is its main area of activity. "The Egyptian High Seas Fishing Grounds Company has also suffered losses, and they are attributable to the fact that it is the Ministry of Supply which is completely in charge of selling the company's production. The company's fish production is about 50,000 tons. The company also suffers losses because its ships cannot receive subsidized fuel outside Egyptian ports. This fact has forced the company to suffer losses estimated at about 1 million Egyptian pounds. This company's problem has been aggravated by the fact that no more fishing is being done in its principal areas and off the coastlines of Morocco and Mauritania. It has compensated for this by going to the coastlines of the Northern European nations to fish. This, however, has increased its production costs, and this is not being made up for by an increase in the prices of its products in the domestic Egyptian market. Although this company has received a grant of \$5 million from the FAO, it is still suffering losses.

"All of these matters must be reviewed, and right now a new effort is being undertaken to develop fish resources in our country. Our president himself is making his contribution in this direction. "The Animal Production Committee has just finished formulating some special proposals concerning the most important problems that have been brought up and concerning the development of fish resources in Egypt. The most important of these proposals are the following:

"As we know, al-Bardawil Lake was a source of great quantities of fish production and it enjoys suitable conditions for intensive fish production. During the period of occupation [by the Israelis] its resources were severely depleted. As a result of this, fish production in this lake must be subsidized, production efficiency in the lake must be increased, and the necessary resources must be provided for this purpose. This lake could become a tremendous source of fish production for the people living in Sinai and the areas adjacent to it. The lake's current production is 2,500 tons per year.

"It is very important that we organize the process of marketing fish and set up the necessary means for doing this. This includes means of transportation, storage, and marketing channels, and these are things which are subject to many factors of regulation and control. Furthermore, this will require an apparatus for controlling, monitoring, and regulating--via the Ministry of Supply--the price relationship between production and consumption.

The time has come to actually solve the problem of drainage of the lakes by means of making an economic and social study which would clarify the extent and dimensions of the drainage operations and show where they have been taking place. Although the government has felt that it is necessary to drain parts of these lakes, it is also necessary to bear in mind several basic considerations which should be made clear and should be known to everyone. They are the following:

"Drainage should take place in as small an area as possible and in the areas which have the least fish production--so that this will not affect the productive capacity and resources of a given lake. The drainage should be done within the scope of a schedule which is known to everyone. Also, a so-called 'fish zone' should be created for each lake. This would be an area not subject to drainage or any other type of damage, and would be considered like nurseries or

or cultivation areas for fish. Also, there should be no more acts of seizure such as those which some areas of these lakes have been subjected to, particularly since they have been random acts of seizure and have been carried out by some people who have had influence and have been using their authority.

"The companies which engage in fishing should be regulated and subsidized, and this applies in particular to the Egyptian High Seas Fishing Grounds Company and the General Egyptian Fishing Equipment Company. The Egyptian High Seas Fishing Grounds Company is able to provide Egypt with more production than it is providing at present. It is still, to a large extent, unable to do what it is supposed to do. And the General Egyptian Fishing Equipment Company is still providing far less fishing equipment and gear than our fishermen need."

"It is also important that fishing operations be monitored and supervised so that they take place in accordance with the provisions of the law, and there should be a system of total regulation which guarantees that our available fish resources be maintained and be able to grow as well. This is the responsibility of the Aquatic Areas Police, security organs, and local government bodies. The list of violations which we see recorded does not at all include all of the violations which are going on in our country in our water and fishing areas."

"We must expand our artificial fish farms. Our total area of fish farms is still much smaller than it should be. This expansion, however, is something which must be regulated and controlled by guidelines and guarantees in order that our agricultural and water resources not be depleted and in order that they be expanded within areas which are proper for them."

"The cost of producing a ton of red meat is about 2,200 Egyptian pounds and the cost of producing a ton of poultry is about 1,000 Egyptian pounds. However, the cost of producing a ton of fish of normal types is, on the average, 350 Egyptian pounds. This means that, however one views the matter, right now we should orient ourselves toward fish production."

[Article: "Five Piasters to Save Our Fish Resources in Lake Nasser"]

[Text] The situation in the Lake Nasser area is something which we should discuss. After production during the last 3 years became double what it was 15 years ago, it has started to decline again. If we compare production in 1981 which production in 1982, we find that the yield has decreased by 25 percent. According to the latest reports, production has declined from 35,000 tons a year to 26,000 tons a year.

The thing which causes a person to wonder, when contemplating what has happened to this lake, is the fact that it was in this area that we set up, together with the Japanese, a fish hatchery which was one of most modern in the world in terms of technology, and we also set up there a center for fish research. The lake's production was supposed to increase rather than decrease, especially since the Japanese had conducted numerous experiments in order to create and breed new species of fish for the lake and had conducted experiments concerning increasing the numbers of the types of fish currently in the lake.

We know that only 20 percent of the lake is being used for fish cultivation. These are the shoreline areas where the built fish live, and this type of fish represents about 95 percent of the lake's production.

Concerning this matter, we interviewed Eng Hasballah al-Kafrawi, minister of housing, reconstruction, and land reclamation. He had the following to say: "The development of fish resources in the lake is being conducted together with the Japanese, and it is moving in two directions.

"First of all, we are developing the fish resources actually already in the lake by first determining the areas where the fish are located and how much nutritional value these fish have. Also, we are finding out when these fish reproduce in order to prohibit fishing during these times. In addition to this, we are making use of our available resources there by setting up fish farms and setting up fish hatcheries. We are also setting up fish basins, and the Japanese have said that fish basins are the best means of fishing in open water. Furthermore, we are utilizing means to protect small fish from being eaten up by large fish in order to enable them to grow to a size which will enable them to coexist with the other types of fish.

"Research is also being conducted concerning the development of fishing methods, fishing equipment, and fishing vessels and boats. One Japanese expert has said that, as a result of these experiments, it is possible for the lake to yield 100,000 tons a year of the fish which it presently contains, and this is in addition to additional fish that could produce as a result of cultivating fish in the remaining areas of the lake.

"Secondly, successful research has actually been completed concerning cultivating the lake's [former] desert areas with fish such as the fresh water herring, grey mullet, and mabrukah. Also, successful experimentation has been conducted concerning cultivating shrimp in fresh water areas [in the lake].

"It is important to develop fish resources in Lake Nasser because the fish in this lake do not require any artificial feeding. One expert has said that this lake is an extremely rich area in terms of the food which it provides for fish."

Eng al-Kafrawi set up the Fish Resources Development Company there, and the Japanese are participants in this company. His intention was to have this company be an investment company. He said: "I wanted the company to be an investment company in order that it not suffer from red tape, bureaucracy, and paper work, and in order that we really begin development of the lake's fish resources. This company did have promising beginnings. One of the results of the company was the fact that production in the lake doubled, and production could have kept on increasing at the same rates until full utilization was made of the lake's fish resources.

"But in spite of all of these efforts, after 4 years of operation production began to decline for the first time."

When we asked about the reason for this, a response was furnished by Muhammad 'Abd-al-Pattan, the head of the company which has been given the task of carrying out the lake development operations. He said: "The problem lies in the fact that fish from Lake Nasser are the only fish which are subject to price controls throughout the nation. Fish taken from other areas are subject to the laws of supply and demand. Although bultis--which account for about 95 percent of the fish production from Lake Nasser--are normally sold everywhere for at least 2.5 Egyptian pounds per kilogram, the bultis caught in Lake Nasser are sold at a price of 25 piasters [per kilogram]. That is, they are sold at one-tenth the price that the other bultis are sold at. Furthermore, the fishermen who catch these fish only

receive half of this amount of money. But they [in fact] receive only a quarter of the total amount since 6 piasters are deducted from what they receive--and this is in return for what they are provided in terms of production and supply means and services. In other words, a fisherman only gets 6 piasters per kilogram of the fish that he catches. His colleagues [from other areas] catch the same fish and sell them for a price of 2.5 Egyptian pounds per kilogram. Furthermore, in the case of the cooperative enterprises which transport fish from the fishing boats to shore, it costs them 63 milliemes per kilogram to do this transporting, but the government pays them only 47 milliemes per kilogram to do this job.

"Two consequences have resulted from this situation:

1. Fishermen have begun to abandon Lake Nasser, and now there are only half as many fishermen there as there used to be. If the situation remains as it is, within 1 year only one-quarter of the original number of fishermen will still be there. They have left Lake Nasser in order to fish in other lakes because their catch in other lakes is not subject to the price controls as is the case with the fish from Lake Nasser. Some of them have abandoned the fishing trade altogether and sought out other professions which are more lucrative.
2. Because of the losses which they have suffered, the fish transport cooperatives are unable to transport more fish [than they are transporting now]. In fact, right now they are even thinking seriously about selling their fleets and giving up the business entirely.

"The result of this has been that production has gone way down and it may continue to decrease in spite of all of the attempts that the government is undertaking to develop fishing in Lake Nasser. This is something which emphasizes the fact that it is necessary to take a fresh look at this situation in order to insure that cooperation with foreign technology bears fruit and brings benefits. If we do not do this, we will end up being like people who plow the sea, and no matter how much technology we import, our efforts will constitute efforts which will be of no benefit.

"Let us also deal with the situation of the company which was established to exploit the resources of the lake. This company is supposed to be one which operates according to economic principles. The company is supposed to have a capital surplus which it can spend on research, developing fishing methods, developing its fleet, setting up new fish farms, cultivating the [former] desert areas of the lake, and bringing production up to maximum levels. I do not wish to hide from you the fact that we have stopped putting into effect any of the results which we have achieved because, if we do implement any of these results, this would only mean that the government would end up getting fish from us at bargain basement rates. This is something which would mean losses for us and would force us to end up having to liquidate the company--and this is something which we do not wish to do.

"In fact, in order for the company to survive intact until the problem of Lake Nasser is solved, we have had to go to the Red Sea area to fish there because the fish from there are not subject to price controls. We have set up a consolidated fishing enterprise and right now we are equipping it with four fishing boats to engage in shark fishing for the first time in the Red Sea. Our fish production there will total 10,000 tons per year.

The Northern Fisheries Company has suffered losses amounting to 750,000 Egyptian pounds because of the construction of a branch of the Suez Canal in the Bur Fu'ad saltworks area--and this is its main area of activity. "The Egyptian High Seas Fishing Grounds Company has also suffered losses, and they are attributable to the fact that it is the Ministry of Supply which is completely in charge of selling the company's production. The company's fish production is about 50,000 tons. The company also suffers losses because its ships cannot receive subsidized fuel outside Egyptian ports. This fact has forced the company to suffer losses estimated at about 1 million Egyptian pounds. This company's problem has been aggravated by the fact that no more fishing is being done in its principal areas and off the coastlines of Morocco and Mauritania. It has compensated for this by going to the coastlines of the Northern European nations to fish. This, however, has increased its production costs, and this is not being made up for by an increase in the prices of its products in the domestic Egyptian market. Although this company has received a grant of \$5 million from the FAO, it is still suffering losses.

"All of these matters must be reviewed, and right now a new effort is being undertaken to develop fish resources in our country. Our president himself is making his contribution in this direction. "The Animal Production Committee has just finished formulating some special proposals concerning the most important problems that have been brought up and concerning the development of fish resources in Egypt. The most important of these proposals are the following:

"As we know, al-Bardawil Lake was a source of great quantities of fish production and it enjoys suitable conditions for intensive fish production. During the period of occupation [by the Israelis] its resources were severely depleted. As a result of this, fish production in this lake must be subsidized, production efficiency in the lake must be increased, and the necessary resources must be provided for this purpose. This lake could become a tremendous source of fish production for the people living in Sinai and the areas adjacent to it. The lake's current production is less than its actual capacity. Right now the current production is 2,500 tons per year.

"It is very important that we organize the process of marketing fish and set up the necessary means for doing this. This includes means of transportation, storage, and marketing channels, and these are things which are subject to many factors of regulation and control. Furthermore, this will require an apparatus for controlling, monitoring, and regulating--via the Ministry of Supply--the price relationship between production and consumption.

The time has come to actually solve the problem of drainage of the lakes by means of making an economic and social study which would clarify the extent and dimensions of the drainage operations and show where they have been taking place. Although the government has felt that it is necessary to drain parts of these lakes, it is also necessary to bear in mind several basic considerations which should be made clear and should be known to everyone. They are the following:

"Drainage should take place in as small an area as possible and in the areas which have the least fish production--so that this will not affect the productive capacity and resources of a given lake. The drainage should be done within the scope of a schedule which is known to everyone. Also, a so-called 'fish zone' should be created for each lake. This would be an area not subject to drainage or any other type of damage, and would be considered like nurseries or cultivation areas for fish. Also, there should be no more acts of seizure such as those which some areas

of these lakes have been subjected to, particularly since they have been random acts of seizure and have been carried out by some people who have had influence and have been using their authority.

"The companies which engage in fishing should be regulated and subsidized, and this applies in particular to the Egyptian High Seas Fishing Grounds Company and the General Egyptian Fishing Equipment Company. The Egyptian High Seas Fishing Grounds Company is able to provide Egypt with more production than it is providing at present. It is still, to a large extent, unable to do what it is supposed to do. And the General Egyptian Fishing Equipment Company is still providing far less fishing equipment and gear than our fishermen needs.

"It is also important that fishing operations be monitored and supervised so that they take place in accordance with the provisions of the law, and there should be a system of total regulation which guarantees that our available fish resources be maintained and be able to grow as well. This is the responsibility of the Aquatic Areas Police, security organs, and local government bodies. The list of violations which we see recorded does not at all include all of the violations which are going on in our country in our water and fishing areas.

"We must expand our artificial fish farms. Our total area of fish farms is still much smaller than it should be. This expansion, however, is something which must be regulated and controlled by guidelines and guarantees in order that our agricultural and water resources not be depleted and in order that they be expanded within areas which are proper for them.

"The cost of producing a ton of red meat is about 2,200 Egyptian pounds and the cost of producing a ton of poultry is about 1,000 Egyptian pounds. However, the cost of producing a ton of fish of normal types is, on the average, 350 Egyptian pounds. This means that, however one views the matter, right now we should orient ourselves toward fish production."

[Article: "Five Piasters to Save Our Fish Resources in Lake Nasser"]

[Text] The situation in the Lake Nasser area is something which we should discuss. After production during the last 3 years became double what it was 15 years ago, it has started to decline again. If we compare production in 1981 with production in 1982, we find that the yield has decreased by 25 percent. According to the latest reports, production has declined from 35,000 tons a year to 26,000 tons a year.

The thing which causes a person to wonder, when contemplating what has happened to this lake, is the fact that it was in this area that we set up, together with the Japanese, a fish hatchery which was one of the most modern in the world in terms of technology, and we also set up there a center for fish research. The lake's production was supposed to increase rather than decrease, especially since the Japanese had conducted numerous experiments in order to create and breed new species of fish for the lake and had conducted experiments concerning increasing the numbers of the types of fish currently in the lake.

We know that only 20 percent of the lake is being used for fish cultivation. These are the shoreline areas where the built fish live, and this type of fish represents about 95 percent of the lake's production.

Concerning this matter, we interviewed Eng Hasballah al-Kafrawi, minister of housing, reconstruction, and land reclamation. He had the following to say: "The development of fish resources in the lake is being conducted together with the Japanese, and it is moving in two directions.

"First of all, we are developing the fish resources actually already in the lake by first determining the areas where the fish are located and how much nutritional value these fish have. Also, we are finding out when these fish reproduce in order to prohibit fishing during these times. In addition to this, we are making use of our available resources there by setting up fish farms and setting up fish farms and setting up fish hatcheries. We are also setting up fish basins, and the Japanese have said that fish basins are the best means of fishing in open waters. Furthermore, we are utilizing means to protect small fish from being eaten up by large fish in order to enable them to grow to a size which will enable them to coexist with the other types of fish.

"Research is also being conducted concerning the development of fishing methods, fishing equipment, and fishing vessels and boats. One Japanese expert has said that, as a result of these experiments, it is possible for the lake to yield 100,000 tons a year of the fish which it presently contains, and this is in addition to additional fish that it could produce as a result of cultivating fish in the remaining areas of the lake.

"Secondly, successful research has actually been completed concerning cultivating the lake's [former] desert areas with fish such as the fresh water herring, grey mullet, and mabrukah. Also, successful experimentation has been conducted concerning cultivating shrimp in fresh water areas [in the lake].

"It is important to develop fish resources in Lake Nasser because the fish in this lake do not require any artificial feeding. One expert has said that this lake is an extremely rich area in terms of the food which it provides for fish."

Eng al-Kafrawi set up the Fish Resources Development Company there, and the Japanese are participants in this company. His intention was to have this company be an investment company. He said: "I wanted the company to be an investment company in order that it not suffer from red tape, bureaucracy, and paper work, and in order that we really begin development of the lake's fish resources. This company did have promising beginnings. One of the results of the company was the fact that production in the lake doubled, and production could have kept on increasing at the same rates until full utilization was made of the lake's fish resources.

"But in spite of all of these efforts, after 4 years of operation production began to decline for the first time."

When we asked about the reason for this, a response was furnished by Muhammed 'Abd-al'Fattah, the head of the company which has been given the task of carrying out the lake development operations. He said: "The problem lies in the fact that fish from Lake Nasser are the only fish which are subject to price controls throughout the nation. Fish taken from other areas are subject to the laws of supply and demand. Although bultis--which account for about 95 percent of the fish production from Lake Nasser--are normally sold everywhere for at least 2.5 Egyptian pounds per kilogram, the bultis caught in Lake Nasser are sold at a price of 25 piasters [per kilogram]. That is, they are sold at one-tenth the price that the other bultis are sold at. Furthermore, the fishermen who catch these fish only

receive half of this amount of money. But they [in fact] receive only a quarter of the total amount since 6 piasters are deducted from what they receive--and this is in return for what they are provided in terms of production and supply means and services. In other words, a fisherman only gets 6 piasters per kilogram of the fish that he catches. His colleagues [from other areas] catch the same fish and sell them for a price of 2.5 Egyptian pounds per kilogram. Furthermore, in the case of the cooperative enterprises which transport fish from the fishing boats to shore, it costs them 63 milliemes per kilogram to do this transporting, but the government pays them only 47 milliemes per kilogram to do this job.

"Two consequences have resulted from this situation:

1. Fishermen have begun to abandon Lake Nasser, and now there are only half as many fishermen there as there used to be. If the situation remains as it is, within 1 year only one-quarter of the original number of fishermen will still be there. They have left Lake Nasser in order to fish in other lakes because their catch in other lakes is not subject to the price controls as is the case with the fish from Lake Nasser. Some of them have abandoned the fishing trade altogether and sought out other professions which are more lucrative.
2. Because of the losses which they have suffered, the fish transport cooperatives are unable to transport more fish [than they are transporting now]. In fact, right now they are even thinking seriously about selling their fleets and giving up the business entirely.

"The result of this has been that production has gone way down and it may continue to decrease in spite of all of the attempts that the government is undertaking to develop fishing in Lake Nasser. This is something which emphasizes the fact that it is necessary to take a fresh look at this situation in order to insure that cooperation with foreign technology bears fruit and brings benefits. If we do not do this, we will end up being like people who plow the sea, and no matter how much technology we import, our efforts will constitute efforts which will be of no benefit.

"Let us also deal with the situation of the company which was established to exploit the resources of the lake. This company is supposed to be one which operates according to economic principles. The company is supposed to have a capital surplus which it can spend on research, developing fishing methods, developing its fleet, setting up new fish farms, cultivating the [former] desert areas of the lake, and bringing production up to maximum levels. I do not wish to hide from you the fact that we have stopped putting into effect any of the results which we have achieved because, if we do implement any of these results, this would only mean that the government would end up getting fish from us at bargain basement rates. This is something which would mean losses for us and would force us to end up having to liquidate the company--and this is something which we do not wish to do.

"In fact, in order for the company to survive intact until the problem of Lake Nasser is solved, we have had to go to the Red Sea area to fish there because the fish from there are not subject to price controls. We have set up a consolidated fishing enterprise and right now we are equipping it with four fishing boats to engage in shark fishing for the first time in the Red Sea. Our fish production there will total 10,000 tons per year.

"We also have a joint venture project with Sudan as part of the integration policy. This will result in the establishment of a Sudanese-Egyptian company with a capital of 6 million Sudanese pounds. Egypt's share of the fish caught by this company will total more than 10,000 tons of fish per year."

We asked him: "What can we do in order to economically exploit the resources of Lake Nasser?"

He answered: "The issue has become not one of raising prices for the fishermen, but rather the fact that production has begun to decline. But what sense does it make if we continue to set such low prices for the fish caught in this lake? Furthermore, production will continue to decline until consumers will no longer find [fish from Lake Nasser] either at the low prices set by price controls or at any other prices.

"What we need to do first of all is to stop fishermen from abandoning Lake Nasser and to enable the lake to keep the fishing and transport means and equipment which it still has. This can be achieved merely by having the government raise the price of a kilogram of fish by 5 piasters. The fishermen are agreeable to such an arrangement and are prepared to sign an agreement to the effect that they will not demand any increase in prices for a period of 3 years. Even if the burden of this increase is borne by the government, it should do this because it should subsidize producers--just as it subsidizes consumers--in order that production continue."

In conclusion, Mr 'Abd-al-Fattah broached the following questions:

"Right now we are engaging in the cultivation of new types of fish and we are establishing new fish farms. When these efforts finally result in production, will the government [continue to] buy fish from us at a price of 25 piasters per kilogram? If the government insists on continuing to do this, then any efforts to achieve development or to introduce new technology in Lake Nasser will be of no benefit because the undertaking of such efforts and operations requires investment. If we do not earn any surplus capital from our production, then how are we going to engage in the development which is necessary?"

[Interview with Dr Yusuf Wali, minister of state for agriculture and food security: "The Minister of Agriculture's View Concerning Solving the Problem"; date and place of interview not specified]

[Text] Although we have seen that all of these above-mentioned facts are true ones, we have also seen that Egyptian scientists have conducted experiments which have achieved a great many successes. We have discovered that the great success achieved by their experiments is not the first time that they have achieved such success. In fact, 30 years ago they achieved similar success when the productivity per feddan [of rice] increased by an average of 1 ton. In addition to this, although fish proteins are cheaper than animal proteins and although the investment necessary for fish resources is not as high as the investment which must be allocated for the production of red meat and poultry, we are still not directing enough of our attention toward the development of these fish resources--and this is true at a time when we are loudly complaining about the escalation in prices of red meat and the problems we are having in expanding

poultry production. In this connection, we felt that there were two important questions which we should direct to Dr. Yusuf Wali, the minister of agriculture. These questions are the following: Why was it necessary for us to go to the Far East when we have had so many successful experiments, and why are these experiments not being sufficiently applied in practice? In the interview which follows, Dr Wali answers these and other questions:

[Question] There is a food war which has been knocking at the door of the world for the last 10 years. You have already promised to endeavor to increase food production, especially grain production, so that our food production could cover our requirements. Nevertheless, we right now are finding ourselves moving in a very dangerous direction, even though we well know what awaits us if we keep moving in this direction. What are your comments about this?

[Answer] We have the strategic objective of achieving self-sufficiency in food, particularly grains, within a period of from 5 to 7 years. What has happened in the case of rice was a temporary phenomenon which will disappear, and we will once more be exporting rice in large quantities. In fact, within a short time we will also be exporting the surplus that we will be getting from thousands of feddans after we institute nationwide application of the results of our experiments and each feddan, on the average, will be yielding 24 ardebs [1 ardeb = 5.619 U.S. bushels]. Experiments conducted by scientists have also succeeded in increasing our present wheat production by 60 percent, on the average, per feddan. Right now we are preparing to have the results of these experiments be applied over large areas, and after that they will be applied throughout Egypt. Our rice growing experiments have resulted in a yield of more than 4 tons per feddan. Here we are [not] talking about modern results since the increase in production per feddan, in any case, will be at least a 1 ton increase. This means that we are going to have a surplus of at least 1 million tons of rice because of this increase in production, and with this surplus we will be able to buy 3 million tons of wheat. At the present time we are importing 4 million tons of wheat. Furthermore, as I have said before, our wheat production will also increase. In addition to this, our surplus production of corn will be of profit to us. What all of this means is that these three crops will complement each other and together they will at least provide us a level of self-sufficiency in food. Furthermore, we are continually engaging in efforts to increase production.

[Question] Then why are the results of these experiments not being applied everywhere as quickly as possible?

[Answer] We are not going to wait 5 years. We are continuing to expand the application of the results of these experiments. As you know, Egyptian peasants are conservative by nature and they do not always enthusiastically embrace things which are new. It will take some time to get them to accept these innovations. This is one aspect of the matter. Another aspect of the matter is the fact that the application of the results of these experiments requires that we have a team of experts which is large enough to be able to take care of all of these requirements. We are continuing to train experts in this field. Furthermore, it takes time for methods of mechanization to be absorbed, and this must be done gradually. Also as you know, agriculture is a seasonal activity, and if we have achieved positive results during one cycle we still must wait until the next cycle in order to apply the results of these experiments over wider areas of land. We must do this in order to benefit from the results of applying the new methods over wider areas of land, we must do so in order to forestall any negative consequences which might crop up, and we must do this in order to

benefit from positive features which emerge when the experiments are applied over broader areas of land. We cannot simply gamble all at once with a crop which is considered to be one of our principal crops, especially if this crop is one involving food for people. It is not a question of deriving more highly-productive strains or of utilizing [new] equipment. However, there are agricultural practices which we must either follow or we will end up being like people who are plowing the sea. These agricultural practices have to be followed by all the farmers in order that their fields achieve the levels of production which have been achieved by the experiments.

[Question] We know that most agricultural problems can be solved by introducing means of mechanization. How long are the plow, threshing machine, ground-leveling implement, and water wheel going to continue to be the symbols of Egyptian agriculture?

[Answer] Within 3 years plows will disappear from our fields, and the only place that you will be able to find them will be in the museums. This matter in particular is one which has received the personal attention of President Mubarak. In fact, as far as he is concerned, this is an important issue. Agriculture in Egypt will gradually switch over to mechanization. It is our view that the migration of the labor force from the rural areas--which we have been complaining about--has very important positive aspects. The reason we feel this way is that it is considered to be one of the basic factors which have promoted large-scale expansion of mechanization. The farmers themselves have begun to complain about the wages that they have to pay to the labor force. Although they have agreed to pay these high wages, they still cannot find enough workers. This has contributed toward having them introduce modern methods in agriculture.

[Question] Why do we not increase our total area planted with rice in order to produce a surplus of rice for export until such time as the results of the new experiments are applied nationwide?

[Answer] We do not want to disturb the present cropping pattern. We cannot even consider increasing the area planted with rice in order to increase production. If we did this, then this means that we would be kidding ourselves. Any increase in the total area planted with a given crop would necessarily be at the expense of some other type of crop. If we changed the type of crop planted in one given area, we might be making up for a given shortage, but we would then be creating some other type of shortage. For this reason we must engage in vertical expansion, create new types and strains [of rice], and utilize modern mechanization.

[Question] Since we have already conducted all of these successful experiments, why are we seeking out others and having them bring their experiments to Egypt?

[Answer] We cannot live in isolation from other nations. All of the experiments which we have conducted need to be reinforced by the experiments which others have conducted. For some time now we have been conducting experiments concerning planting rice twice a year. In fact, the experiments which Dr Mustafa al-Jabali has conducted in this field have been successful. This is why it was decided to follow the approach of this experiment when planting 12,000 feddans during the upcoming crop season--in preparation for applying the results of the experiment nationwide. However, in Japan they have a strain of rice which is neutral in terms of its sensitivity to light, and its main feature is that it can be cultivated any time of the year. Japan refused to give us this strain of rice, even

though we have been asking the Japanese for it for 9 years. Finally, though, the Japanese agreed to give it to us, and they did so in response to a request by President Mubarak. And we actually had this strain of rice brought to Egypt. But this does not mean that we can plant this type of rice right away and immediately utilize it nationwide. We must subject this strain of rice to experimentation in order to allow us to study the degree to which this type of rice is suitable for our soil, our environment, and our local conditions. When the experiment has succeeded, then we will apply the experiment over broader areas of land, and when this has been successful, only then will we consider utilizing this type of rice nationwide. Procurement of this strain of rice will solve a great many problems for us which have to do with planting rice early rather than late and the results that ensue from doing so.

We must test everything that others have done as long as it is available to us in order that we be able to choose what is most suitable and most appropriate for our conditions. This is why we are diversifying both the means of mechanization and the more productive strains of rice which we are bringing in from abroad.

[Question] Since we have utilized and tested Japanese methods of mechanization and are going to expand our utilization of them when planting 60,000 feddans during the upcoming crop season, what is the use of our seeking out the technology which China has to offer?

[Answer] What I have just said to you before applies in this matter too. Although Japan has expressed its readiness to furnish us with the equipment which we need in order to expand our mechanization and has agreed to furnish us loans at easy terms to accomplish this, Japan has refused to allow us to manufacture this equipment here in Egypt. According to our strategic plan, we wish to manufacture our own goods whenever possible in order that we be able to produce everything we need for our own requirements rather than having to import these things. This is why we have chosen to pursue the policy of becoming acquainted with Chinese methods of mechanization. And, in fact, we are going to be bringing in harvesting and seedling [preparation] equipment from China. Perhaps we will find that the Chinese equipment is more suitable for our circumstances than the Japanese equipment is. This may turn out to be the case, because Japanese equipment relies on total mechanization, and this is something which is complicated and requires time for people to fully absorb. Furthermore, such total mechanization renders the human element completely unnecessary. Chinese equipment, on the other hand, is semi-mechanized. This means that it requires the human element, and this is something which--though it is scarce--we have available here in Egypt. Furthermore, since this Chinese equipment is semi-mechanized, it is something which is more likely to correspond to the Egyptian mentality. More important than all of this, though, is the fact that China has agreed to allow us to manufacture the equipment here in Egypt. In fact, China has concluded an agreement with the Ministry of War Production to allow us to manufacture 15 units of this equipment. This is something which will make matters far easier for us. The reason for this is that this equipment does not cost a great deal to manufacture and we will be able to produce all that we will need of it without having to resort to other countries. We are going to be utilizing this Chinese equipment in connection with the planting of 500 feddans during this crop season, and during the next crop season, and during the next crop season we will use the Chinese equipment when planting a total of 10,000 feddans.

Korea also has still another type of equipment, and in terms of development its equipment stands on a level between the Chinese equipment and the Japanese

equipment. That is, it requires the human element, but to a lesser degree than does the Chinese equipment. We are going to be testing this equipment when planting 500 feddans during this crop season, and during the next crop season we will be testing this Korean equipment when planting 10,000 feddans.

In general, we plan to select what is most suitable for us on the basis of results, and we will then develop what we require so that we will have what fits our circumstances and conditions.

[Question] Egypt is a nation which is very rich in fish resources. What route should we follow in order to achieve development in this field?

[Answer] I admit that we have no well-planned system and arrangement for exploiting our fish resources. If we did, then we would be able to achieve self-sufficiency in this regard within 2 years. This is why I am right now seriously thinking about taking some concrete steps in this direction. But in order for us to begin in the correct manner, we have to begin with a program of taking an inventory of our fish resources. The reason I say this is that our present statistics are misleading and are not accurate. We have reached an agreement with the Academy of Scientific Research to take an exact inventory of the fish resources in Egypt. In the Ministry of Agriculture we have earmarked 500,000 Egyptian pounds for this purpose. I am also seriously thinking about incorporating the High Seas Institute into the Ministry of Agriculture in order to achieve the necessary coordination in this field. The reason I say this is that the institute has experts and technical personnel, but does not have the necessary funds to be able to conduct its activities, and the ministry, on the other hand, has the funds, but does not have technical personnel capable of implementing its programs. Why, then, should there not be a marriage between the expertise of the institute and the capital of the ministry in order to achieve the necessary growth and development?

I am also thinking about establishing a national fish resources authority which would include all parties--that is, the armed forces, the Aquatic Areas Police, the High Seas Institute, experts in fish resources, fishing cooperatives, and fishermen. This would be an organization in which all parties concerned with this matter would be represented.

[Question] Exactly what benefit will we be receiving from China and what benefit will we be receiving from Japan as a result of the trip undertaken by the president--a trip which he undertook in an effort to bring more development to Egypt so that we could solve our problems, the foremost of which is the food problem?

[Answer] Each of the two nations has its own methods and approaches, and Egypt is in need of the methods and approaches of each of the two countries. Japan, for example, focuses its attention on the field of marine fishing grounds which cover vast areas. For this reason, we are benefiting from their experience when dealing with areas such as Lake Nasser, the Mediterranean and Red Sea coastlines, and the high seas. We have actually received two boats from Japan for the purpose of conducting applied research, demarcating fishing grounds at sea, determining which areas are feeding grounds for fish, determining the dates that fishing should be carried out, and determining which types of fish are found in each area. Also, we will be using these boats in fishing operations when we begin developing our fish resources.

But we will also be cooperating with China in its field of interest because China is interested in fresh water fish farms. We have an important and fruitful experiment in this area that is going on in Ismailia. We are planning to further utilize their expertise in our fish farms at al-Raswah in the Port Said area and at the Barsiq fish farm--and this will only be the beginning. We are also going to utilize the aeration system which the Chinese have invented and this will contribute toward rapid growth of the fish and will help to protect the fish from the cold. The government has spent 2 million Egyptian pounds on some fish farms. But we also have a problem with the collapse of bridges. We will be seeking help from the Chinese in this matter also.

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MAURITANIA

EFFECTS OF DROUGHT ON BRAKNA INVESTIGATED

Nouakchott CHaab in French 15, 16, 17 Aug 83

[Article by Cherif Ould Bouna: "Pictures and Facts on the Consequences of the Drought on Brakna" (translated from the original Arabic)]

[15 Aug 83 p 3]

[Text] Corpses piled pell-mell litter the denuded ground upon which the sand encroaches on all sides.

Dead trees are the only vegetation in a landscape broiled by the sun and dried out by the wind.

Skeleton-like animals -- those still left alive --wander around in search of some hypothetical water, full of clay and salt even if it still exists at all!

Thousands of families totally deprived since the loss of their flocks of cattle, of which the greater part are now merely corpses.

Here are a few pictures on the consequences of the persistent, indifferent drought that is raging in the Brakna region.

During the land inspection that we made in the Brakna region affected by the drought, we toured Ragbett-Aleg, which extends north of Aleg over about 20 kilometers, and where there are over 1,000 cattle-raising families.

The sickening stench of animal corpses pollutes the atmosphere there.

But even though a large number of head of cattle had perished because of the persistent drought, a large number of others are still alive but in a deplorable state.

How did these cattle farmers, underfed themselves and impoverished by the loss of a part of their cattle, manage to feed the animals still spared?

To which the farmers answered that they were giving their animals everything they had available: as much wheat, millet, as these animals needed, even when that cost them their daily bread or bowl of rice.

These farmers have no choice. The cattle are their only means of living, their job, their livelihood.

Some of them are involved exclusively in cattle-raising. In most cases, all their animals have died, leaving behind problems and abject poverty. That is why the Brakna region has been declared one of the regions most stricken by the drought.

In Oued Kéthy and near the Mal district, a considerable number of emaciated herds, nearly on their knees, are concentrated in the region.

These herds had come in from the regions of Trarza, Tagant, Inchiri, Adrar, and Tiris-Zemmour last year, after good rainfall in Brakna.

But today it is easy to see that the concentration is so great that the situation is catastrophic. Yet the pastures could have been adequate for the region's herds, even with some of those from other regions. Not all of them... thinks Dah Ould Cheikh, governor of the region.

The predictable situation alarmed the regional authorities, in particular the governor, who as early as April hastened to send reports on the situation to both the Ministry of Rural Development and the Commission on Food Security.

And since that date, the Brakna regional authorities have been on hand to save the region, and their efforts have finally been crowned with success, since the national government, headed by Lt Col Mohamed Khouna Ould Haidalla, president of the CMSN [Military Committee for National Salvation], head of state, has taken charge of the matter. The president of the CMSN, head of state, undertook an unexpected visit to the region, and saw for himself the situation of the farmers and their herds.

Hence, he made his appeal on 4 August 1983 for help and for solidarity with the cattle farmers.

Since that date, the campaign to save the cattle has proceeded under the direction of the Ministry of Rural Development and with the help of the local authorities in Brakna and of the Brakna SEM [Equipment Company of Mauritania] Regional Commission.

Thus the governor of the region and his team as a whole have marshaled all human resources to reach the intended goal, namely, the survival of the cattle farmers and their stock.

Regarding evaluation of the losses sustained, the region's top official has stated that it amounts at present to 50 percent of the cattle in the region.

As for the campaign to transfer the drought-stricken cattle to more favorable

zones, 3,000 sheep and goats have already been moved toward the Gorgol region. Three hundred cows have followed.

The transfer is being made in semi-trailers made available to the authorities by national companies and enterprises as well as by the army and the National Guard.

The operation has been carried out in good conditions and with a minimum of damage.

[16 Aug 83 p 3]

[Text] In our preceding issue, we touched on the actual consequences of the drought raging in the Brakna region, as well as the measures taken by the regional and central authorities to save the cattle farmers and their animals.

Today we are continuing the same report within the framework -- we point out -- of a talk with the governor of the region.

In addition to the movement of some herds of cattle, sheep, and goats, a large number of camels has also been moved toward the Gorgol region.

Camel raisers have also received quantities of fodder intended for the animals.

Another matter of interest brought up with the governor of Brakna is that of the aid that has already reached the region within the framework of the national effort.

On this point, the region's top official replied that 300 tons of foodstuff and 20 vehicles of various types had been made available to the region.

In this connection, the Mauritanian Red Crescent has participated in this campaign with 85 tons of assorted products now being distributed in the centers most affected by the drought.

Note that these contributions were recorded after the 4 August 1983 appeal made by the head of state, and the regional authorities at Aleg are hoping for the arrival of more aid, in light of the fact that the situation is one of definite gravity.

But there is a problem. It is that of the refusal of some cattle farmers to take their cattle to other regions where there are pastures.

According to the governor of the region, there are two causes behind the refusal: the first is the farmers' conviction that their cattle have reached such a level that they can no longer tolerate transportation to other places without sustaining irremediable harm.

The second reason is that the farmers are refusing to have their animals transported to the pasture areas of the other regions because they are afraid that the transport operation will lead to losses exceeding those that they are now

sustaining at home.

But after the safe arrival of the first waves, the farmers felt reassured, and the rhythm of the transport operation was increased. The majority of them are now accepting.

However, a small number materially able to obtain food for their cattle still refuse to yield.

In the north of Brakna, we noted, in the course of certain contacts with the citizens mobilized in connection with the SEM, great enthusiasm for the rescue campaign.

Such a situation will certainly produce some positive repercussions, to the extent that the farmers become conscious of the danger threatening their cattle, their only means of survival.

The governor of the region asserted to our reporter that the regional authorities remain at the disposal of these farmers to attenuate the effects of this dramatic situation.

[17 Aug 83 p 3]

[Text] The drought raging in our country for almost a decade is dangerously threatening three of our regions this year: Brakna, Trarza, and Adrar.

These three regions, inhabited by farmers, but essentially by stock-breeders, are presently experiencing the most distressing kind of existence. The delayed rains have caused the period between harvests to be longer than expected: the granaries are empty and the pastures non-existent. The serious situation being experienced by our stock-breeders, who, after scouring hills and valleys for pastures, have lost all their energy and watch with bitterness while their herds die off animal by animal, and thus see their existence threatened by famine, for the principal resource for them has always been the cattle of which they were so proud.

The alarming situation is disturbing on more than one count to the national authorities at the highest level. It was for this reason that Lt Col Mohamed Khouna Ould Haidalla, president of the CMSN, head of state, addressed a message to the nation on 4 August to come to the aid of our stricken cattle farmers. Since the appeal, responses have been prompt, good will has been shown everywhere to alleviate the suffering of our cattle farmers.

Thus in Brakna, there is intense activity afoot to save our cattle farmers stricken by the drought: distribution of foodstuff, medical care, distribution of fodder and transportation of the animals to regions where pasture is more plentiful, particularly to Gorgol.

It was to that stricken region that our reporter went.

In previous issues we have given you the first accounts that he derived from his visit. Today we publish below the last part of his inquiry into the campaign to save our cattle farmers in Brakna.

The regional authorities in Brakna are looking after everyone's interests.

"We have made contact," states the governor, "with all the cattle farmers in the region.

Consequently the cattle farmers will have their full rights, and principally that of not feeling left to their own devices at a time when the pastures, their main resources, are cruelly lacking."

Answering a question concerning the problems facing the region, the governor summed up the difficulties it is experiencing in these terms:

"First there is the overall problem of the migration of the population, and the particular one of cattle farmers coming from other regions of the country.

The region does indeed have boundaries in common with certain of the country's [other] regions, and on top of that, a certain amount of rain has been recorded there recently during the summer. That has caused it to become a cattle concentration area. Such a concentration has given rise to many problems. Then there is the water problem, which is sometimes acute here. In this context," the governor of Brakna adds, "generally water is rather scarce, particularly in the pasture areas. It is sometimes located 35 kilometers from the place where the pastures are. That is the case with Oued Kethy, where part of our cattle is concentrated at the moment.

The other water points consist essentially of marshes, but they become extremely dangerous, especially when dealing with large groups of animals, because of the diseases that the water may then transmit.

In connection with ideas of that sort, we recall that the director of animal husbandry, who has been with us since the start of the campaign, stated that the only illness the animals are [presently] facing is that of the lack of fodder. These two categories of problem," the governor told us, "have engendered a third one. The fact is that the administration is no longer capable of creating favorable conditions for this unexpected concentration of animals. We noted during our visits to the camps stricken by drought that the stock-breeders are living in absolute poverty which is demonstrated in their dwellings, their clothing, their persons, and their attitudes."

From this we conclude that the inhabitants of the rural zones of the Brakna region are living in extremely difficult social conditions and deserve to be the subject of swift and effective rescue operations.

In a message to the people, the governor of the Brakna region reminded citizens that the period they are presently experiencing is extremely difficult, and

consequently, he told them, "you must be courageous and active to endure, and that will be through your actual participation in the efforts being made at all levels to overcome this situation successfully."

"In this connection," said the governor, "the first thing our people must do is to respect order and apply the directives and advice of the nation's leadership."

Indeed, through implementation of these directives, all obstacles can be easily overcome.

We hope, in conclusion, that there will be an end to the drought, and that the start of the winter season is going to restore the true look of the land and the necessary state of calm to these people.

12149  
CSO: 4519/316

FIRST VICE PRESIDENT 'UMAR MUHAMMAD AL-TAYYIB GRANTS INTERVIEW

London AL-HAWADITH in Arabic No 1395, 29 Jul 83 pp 27-29

[Interview with First Vice President Maj Gen 'Umar Muhammad al-Tayyib by Huda al-Husayni; date and place not specified]

[text] During the Organization of African Unity conference, the Sudanese delegation was headed by the first vice president, who played a conspicuous role. It is said that because of Maj Gen 'Umar al-Tayyib's personal relationship with Ethiopian President Mengistu Haile Maryam, what the major general said was listened to.

After spending a few days in the southern Sudan and passing through almost all of its cities, and due to the interest of the Sudanese officials in the issue of the south, I preferred to focus during my interview with Maj Gen 'Umar al-Tayyib on the Organization of African Unity and southern issues. This is what was said:

[Question] You headed the Sudanese delegation to the Organization of African Unity (OAU) conference. I've been told you played an effective role in convincing Ethiopian President Mengistu Haile Maryam to become president of the organization. What did this role of yours consist of?

[Answer] When I went to the summit conference, we weren't able to start meeting for 3 days, because of the great conflict surrounding the participation of the Polisario Front in the Sessions. We are 33 nations. We thought this was not right, because it had been decided at the Freetown summit conference to hold a plebiscite in the Sahara. Our taking such a decision doesn't mean that the Sahara has become a state recognized by the summit. Therefore, we insisted on the "executive committee" implementing what it had been charged to do by the presidents.

During these 3 days, we made contacts and held discussions with the delegation heads until we were able to convince former OAU president Arap Moi to ask the Polisario to withdraw so we could get on with the conference.

As for my role with our Ethiopian brothers, due to our proximity and ties and the fact that I visit Addis Ababa on many occasions from time to time, friendship has grown up between me and them. Therefore, I spoke with them.

Since Ethiopia was the host country and had been able to prepare for the conference in a short time, it had to undertake all its obligations. I made clear to them the desire most of the countries had for Mengistu to be president.

He wasn't hesitant, but he did not evince or state his own view. When I spoke with him, he said: "If the member states agree unanimously to nominate me, I shall accept." Now many states believed he would not accept, because of his friendship with the president of Libya.

[Question] Now that he has become the president of the OAU, will his relationship with the Libyan president be affected, so that problems arise between them?

[Answer] I think President Mengistu did the right thing. He did not ask for the presidency, but accepted it because of the wish of the presidents. I think Libya was unhappy because it wanted to head the organization. This will necessarily affect the two countries' relations.

[Question] With Mengistu as OAU president, how do you envision the solution of African issues? Will he take part in suggesting solutions, or will he be satisfied to play the role of mediator? What do you in the Sudan think of him? Is it true you prefer him to stay president of Ethiopia because you fear the coming of someone you would not be able to work with?

[Answer] I am personally happy that Mengistu is OAU president. First of all, he is a resolute man, and someone who has never taken part in sowing problems in Africa. He is also a patriot. On this basis, he can solve many problems confronting the OAU. I think he will not merely be a mediator. Rather, he will take part in solving problems, in addition to consulting with other heads of state.

What distinguishes him, however, is that he is always in Addis Ababa, which is the headquarters of the OAU. Therefore, he'll be in constant contact with the office and the general secretary. This will be more useful than having the president of the organization in one country and the headquarters in another.

As for the second part of your question, I want to say that I hope he stays. As I have said, he is a patriot. It's true, they have a socialist system, but I think he's moderate in his thinking and can have friendship and contacts with neighboring countries in a reasonable fashion that at least lets us understand each other and set up relations. I personally prefer that he stays, because he is best for Ethiopia and the OAU.

[Question] He's been faced from the start of his presidency with the problem of Chad. First of all, is President Hissein Habre in danger? Second of all, what role do you expect Mengistu to play?

[Answer] I think that Hissein Habre is in a great deal of danger, despite the fact that he is a powerful, experienced man and a fierce fighter. The danger he faces is Libyan intervention in support of Goukouni and his group, using

all kinds of material and weaponry, in addition to air power, according to our information. This in and of itself would put Habre and Chad in great danger. According to what we've heard, Faya Largeau has fallen. I think the ultimate goal will be the capital, N'Djamena.

We here in the Sudan moved quickly. President Numayri sent an urgent letter to OAU President Mengistu. He asked him to intervene, because the Libyan intervention was a violation of the decisions of the last summit. He asked him to stop this business. President Mengistu implored Libya and Chad to keep the region free of tension and war. We think that President Mengistu must do more than implore. Luckily, there is some African activity. All this acts to decrease the danger Hissein Habre is in.

[Question] But he now needs military support in addition to political and diplomatic support. Is there not in reality a mutual defense treaty between Chad, the Sudan and Egypt?

[Answer] No. No such treaty exists.

[Question] Aren't you ready to help Chad militarily if asked?

[Answer] By God, we do not interfere in the affairs of other countries. However, if we were asked for that, then we would refer the request to the OAU, because the OAU is supposed to defend these countries. It is supposed to send forces to maintain security, as it has in the past. Our help will be legitimate and clear if it is done through the OAU.

[Question] Is it true that Goukouni's forces are moving toward Abeche, as the news said today?

[Answer] Abeche lies on our border. It is very close. Therefore, we always say that Chad's security is tied to and affects the security of the Sudan. Therefore, if this movement occurs, it will mean danger for the Sudan. We will be compelled to oppose this aggression to a greater extent.

[Question] We have noticed that the American State Department has expressed its displeasure and announced that it will coordinate its activities with France in order to defend the security of Chad. Has Chad become a strategic center which must be maintained against any interference?

[Answer] I think so, especially since there are world strategies which have interests in Chad. For example, the Soviet, American and French strategies. Therefore, Chad has become a center for these conflicts. I think the entire West has become interested in Chad. In order to stop this aggression, the African states are moving in the Western orbit. We have contacted the Americans concerning Chad. The French have also contacted us. But I don't know what steps the Americans will take. It is impossible to let Goukouni's name be used as a cover for Libyan intervention.

[Question] But Libya has denied any intervention, hasn't it?

[Answer] No, not at all. This is a fact. Things are closer, and the whole world knows.

[Question] What must be done to restore Sudanese-Libyan relations?

[Answer] Sudanese-Libyan relations go back a long time. It saddens us that there should be problems like these between ourselves and an Arab-Muslim country. In order to restore relations, we want good intentions on the part of the officials in Libya to be the basis. We demand that they respect our situation in the Sudan, as well as our style of government. If this happens, then relations must be restored. In the past, I used to tell the Libyans themselves this when we met at conferences. I used to say, you must respect our situation as we respect yours. There must be no interference in internal affairs. There are pacts which must be honored.

At any rate, if there's no trust between two countries, then it's difficult to restore ties. Trust is currently absent.

[Question] How will President Mengistu solve his problem with Somalia?

[Answer] I think that this is the most appropriate time for solving the Ethiopian-Somalian problem, since President Mengistu is president of the OAU. Naturally, when one becomes the head of an international organization, his thinking isn't limited to his country alone. He thinks as president of Africa. They may give him more positive points of view, as well as more neutral ones. If I were a Somali, I would get in contact now and begin a dialogue and a discussion.

I think many feelings are bound up in the matter of the Ogaden separation. The main thing is to face reality. The land is Ethiopian, but the inhabitants are Somalis. One could ask them their opinion in a plebiscite. If they want to stay in Ethiopia, let them stay. If they want to join Somalia, then let it be so. I think that if President Siad Barre were to accept this, the problem would end. It is better for there to be a direct, mutual understanding between Ethiopia and Somalia, because we as Africans can solve our problems best by ourselves. It isn't necessary for a foreigner to take responsibility for us.

[Question] Do you think that Siad Barre has begun to lean more toward the United States, which has announced that it will start work in Berbera harbor?

[Answer] It is certain that Siad Barre has turned to the Americans, because he needs weapons and support. The Americans have given him as much support as possible. There have been talks about Berbera, but I don't think Siad Barre has brought in the American specifically against Ethiopia. No, not at all. For Ethiopia is important to the United States. America has had ties with Ethiopia since the time of the emperor; these ties are older than those with Somalia. I believe that the Americans would like to strengthen their ties with Ethiopia. Ethiopia itself is not opposing the strengthening of these relations. Rather, 2 years ago President Mengistu sent what he called a peace delegation to America and Europe to explain the character and nature of the Ethiopian revolution. They want to build up their country. Once, during a visit to Ethiopia, President Mengistu mentioned this idea to me, and I encouraged him.

[Question] What solution do you see for Eritrea?

[Answer] We in the Sudan almost reached a solution with our Eritrean brothers. Our suggestion to them was that they sit down with the Ethiopians around a single table to talk and discuss. After that, they would naturally arrive at a solution.

The Eritreans are closed in on themselves. This is their problem. This is what has weakened them. Once we were able to contact the various parties. This was tantamount to a victory. They were all to sit down together to arrive at a solution. The Sudan adopts this position. If a big dispute happened between them, we could intervene. Ethiopia gave us a green light and we went forward, but when I proposed the idea to the Eritreans, some of them rejected even the idea of sitting down together.

[Question] What alternative do they suggest?

[Answer] Some said they would only accept independence. We told them that the emperor had rejected the idea of independence in the time of the empire. Consequently, it was impossible for Ethiopia's rulers in the time of the revolution to accept their independence. The idea is unacceptable in Ethiopia, in Africa, and in the world.

If our Eritrean brothers had listened to the Sudan's advice to hold a dialogue, the problem would have been over more than 3 years ago. Now there is still time for dialogue.

[Question] Do you in the Sudan agree with Ethiopia that Eritrea should not be granted independence?

[Answer] Yes. They can have provincial rule or autonomy, or arrive at some other formula, but this must occur within the state, since we reject partition. I do not now and I will never give in if someone comes to me and says he wants to separate the southern Sudan from the Sudan.

[Question] You have drawn up within the OAU a temporary solution to the Saharan question, not a fundamental one. You suggested a plebiscite, and up until now, Morocco has still not confirmed its agreement. What will the final solution be like? Do you support setting up a new, independent state in the Sahara?

[Answer] Through the summit's decision, all the African countries agreed that there should be a cease-fire and that the plebiscite should begin. The Moroccan representative promised as much, saying: "We are ready to have the plebiscite tomorrow." The executive committee will hold it. The head of the organization will convene the committee, which is composed of seven states, so it can do its duty. It has been decided to hold it within 6 months.

I think Morocco is serious about the matter. If we don't implement this decision, then we will face the same problem at the 20th conference, which will be held in Conakry. Therefore, we must rid ourselves of it immediately.

[Question] As Africans, how do you view the solution to the Sahara conflict?

[Answer] We collect the information and the facts and give our view in their light. We know, as does everyone, that the Sahara's inhabitants number 70,000, that they have seven front organizations, and that the Polisario is one of them. I remember that King al-Hasan came to the Freetown conference with representatives of each group. They gave their opinions on staying with Morocco. Here I want to say that, if we felt that the Polisario were the sole representative of the Saharan people, there would be no need for a plebiscite. But the Polisario does not represent the majority.

[Question] Well, if it were the sole representative of a people who do not number more than 100,000, would it be possible for you to agree to the creation of a new, independent state?

[Answer] If to do so would not affect the other, neighboring states, then we would accept it. However, it would be a dangerous precedent, for then everyone who wants a part of a country to become independent will be encouraged and contact other countries. The region will explode with problems. We don't think well of this possibility. However, we will stick with the plebiscite method because it is democratic.

[Question] Let's talk about the south. Don't you think you have waited too long to divide it? If there were to happen after 2 or 3 years of provincial autonomy, wouldn't you be making a lot of problems for yourselves?

[Answer] We have begun decentralization in the south as a region, but because of the sensitive atmosphere which is always present between ourselves and our brothers in the south, we do not want to hurry things, so that we can remove this sensitivity. Therefore, we have begun to introduce regional autonomy gradually in the north, so that the southerners will be convinced by it. The most important thing about autonomy is that it decreases administrative supervision and gives the citizens the chance to rule themselves. Some of our brothers in the south, namely the inhabitants of Equatoria, have demanded that we give them their own province, "Equatoria." However, the president has preferred to wait to see the other sons of the south, who represent the provinces of Bahr al-Ghazal and Upper Nile.

In addition, we respect the agreements. The south is ruled according to the agreement of Addis Ababa, though this agreement is neither Gospel nor Qur'an. It was made to serve the interests of the citizens. If they themselves think there is a better way than the agreement, then we will be ready to insure they have it. In my opinion, redividing the south and giving it decentralized rule would make its situation better than it was under the agreement, since services would reach the citizens more directly and quickly.

[Question] Let's speak bluntly. I was in the south, and I cannot say whether it has been neglected by you, by its sons, or by the local government, which...

[Answer] It was neglected by the previous local governments. The English made of the south a forbidden region. They kept it completely separate from us. The southerners had their own customs, character and education. The English insisted on keeping them separate from the northerners, so that they would not be influenced by the northerners.

When independence came, it seemed that the south was far behind the north, as well as being behind the other regions. Even the successive governments which came after the agreement continued to neglect the south.

I believe that the level of illiteracy among the sons of the south is very high. They've found no chance to practice the handicrafts which might develop the province. All this has led to the state of affairs you saw.

[Question] How can you now ask them to rule themselves, when you know what the situation I saw in the south is? I mean the level of illiteracy and underdevelopment. Their land is green, but they don't cultivate it. They have no initiative or energy. They are all resigned to their burdens.

[Answer] Now, with the new system in the provinces, every provincial governor will begin a program of development for his province. We in the north will help a great deal, as will the international agencies, such as FAO, the United Nations and UNESCO, which will play a teaching role. We know that we cannot rise if part of our body is incapacitated. This is one of the reasons why we are dividing... The country is very big, especially the south. We will not stand idly by and let the south stay the way it is. We must strongly support it. We will have to teach them many things.

[Question] Have you prepared yourselves? Work in the south and for the south will be difficult and fatiguing.

[Answer] We know that, and we're ready for everything.

[Question] But why is there still no trust between southerners and northerners 10 years after the Addis Ababa agreement?

[Answer] That is not true of all people, but only of some. This is caused by ignorance. For example, you can now find citizens in the south who have no idea of what is happening. We've got to take these people by the hand, teach them, and give them culture through radio and television.

[Question] But isn't it true that radio and television do not reach most areas in the south?

[Answer] We know that, and we are working to hook them up. Then, too, there are some outside organizations which contact the Sudanese in order to sow dissension among brothers. They start by charging that we northerners want to weaken the province and make all its people Muslims. They make a lot of accusations. These things aren't true, for we believe that religion is a matter for God, while the fatherland is for everyone.

Moreover, we believe that there must be one common language, namely Arabic, even if English and some dialects are used. We are now trying to bring them north, so they can intermingle and become as one.

[Question] Are you faced with problems like that in the south in other regions?

[Answer] By God, we have an underdeveloped region, but its problems are fewer. I'm referring to the problem of the Nubian mountains, which lie in the

southern part of Kordofan. The people are backward. They make their homes in the mountains. They have local problems, health problems and educational problems. The provincial government in Kordofan, however, has started to look into this subject, and the problems have begun to abate.

[Question] All the southern officials I asked about their region's main problems said they were transportation and polluted water. For example, I was surprised to find that, despite the size of the south, cars are extremely rare. Moreover, people hasten to the airport by the hundreds as soon as an airplane lands because they want to go somewhere else. How will you confront these problems?

[Answer] We've got a big program. We know that the transportation problem is big. Therefore, we will increase the number of local flights. In the time of the British, the south enjoyed the best roads, but they have been neglected. They need maintenance.

In the past, the roads were divided into sections. Each 10 mile stretch was the responsibility of certain individuals who were concerned with it and maintained it. Thus, the roads were always open, even in the autumn. But then the rebellion occurred. It was a most difficult period which lasted 17 years. But now, with the beginning of stability, we must focus on air and ground transport. It is true there is mud, especially in the Upper Nile region, which is just about cut off in the autumn. For it, the best thing is air transport.

[Question] Some southerners level another criticism at you: They say that the northern opposition can express its views both inside and outside the country without landing in prison, while some individuals in the southern opposition have been put in prison for peaceful activities, not for armed ones. Why?

[Answer] By God, I want to tell you that this talk is wrong. I believe that we enjoy more democracy and freedom than any other country. Everyone can say and write his opinion bluntly. But the problem is that some of these politicians are starting to plot against the security of the state. This is what we cannot allow.

Let me give you some examples. A politician from the south starts making foreign contacts, with Libya, for example. He receives money and acquires weapons. We arrest this fellow. Even when he is arrested, we run through a normal investigation with him. He is in prison for awhile, and after that he comes out. In another country, this kind of person might be punished on a charge of treason and so executed. But in the Sudan, we do not treat people this way.

For example, in the Sudan we have a southern minister.

[Question] Bona Malwal?

[Answer] Yes, Bona Malwal.

[Question] What is his story, and why is he in prison?

[Answer] Bona Malwal was a minister for 9 years. He was minister of information. Everyone knows him. In truth, he's a friendly man; to me, he is a friend. I've got nothing personal against him. But Bona began to oppose the division of the south. It was all right for him to be against it. He could give his opinion in the central committee and at the meetings of the Socialist Union. However, he began to make foreign contacts, and to contact newspapers in Britain and America to which he gave information.

[Question] How was he able to make contacts abroad?

[Answer] Through letters which he sent with people. He was not forbidden to travel. He used to go to Nairobi. From there, he was able to pass on information to journalists after a time. We faced a fierce campaign against the Sudan in the world press, which published false and incorrect news. This made us feel he was not trustworthy. We called him in, talked with him and told him: "Wrong. You are in the inner circle. It's not right to say these wrong things." After a while, when we felt that his activity was continuing, the security forces went and searched his home. Unfortunately, they found he had many documents against the state. That is, documents from southern students and an old movement called "the Abyei Liberation Movement," as well as other papers. We investigated him and he confessed. Now he is imprisoned. He is being treated well. Many brothers have accused him. However, he could give his opinion without going so far as to scheme. It was a shock for President Numayri, who had been working with him for a long time. He did not expect that a divergence of opinion would go this far.

[Question] In the south, I met military officers. They insisted that no amnesty be granted to rebels!

[Answer] We have very good connections with all neighboring countries: with Kenya, Uganda, Zaire and Ethiopia. Most of the rebels went to Ethiopia. The Ethiopians were surprised when they came. During my last visit, I spoke with officials there about this matter. They are ready to turn them over to us. The Ethiopians also have some soldiers who entered the Sudan, and we are ready to turn them over as well.

12224  
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TUNISIA

COMMUNIST PARTY SECRETARY GENERAL DISCUSSES PARTY POSITIONS, PROSPECTS

Tunis AL-RA'Y in Arabic 15 Jul 83 p 4

[Interview with Mohamed Harmel by Abu Bakr al-Saghir and Qaya al-Jaribi: "An Interview with Mohamed Harmel on the Second Anniversary of the Removal of the Ban on the Tunisian Communist Party"]

[Text] "We introduced new views and ideas in the economic and social fields.

"We are still calling for a firm stance opposite imperialism."

The Tunisian Communist party is celebrating the second anniversary of the removal of the ban on its activities at the end of this week. This follows a decision made by the head of state after he met with Mr Mohamed Harmel, secretary general of the party.

On that occasion AL-RA'Y met with the chief of that party and conducted the following interview with him.

Question] How would you evaluate the activities and the impact of the Tunisian Communist Party '2 years after the ban on the party was lifted?

Answer] We are starting to make that evaluation because 2 years are considered a short period of time for conducting a comprehensive evaluation.

The party was banned for almost 20 years. It was not restored to the scene till 1981.

I am not being conceited in saying that the Tunisian Communist Party emerged successfully on the scene and introduced new activity into political life with its ideas and stances and with its youthful fighters. The Tunisian Communist Party had this impact on political life even in questions that are common to all parties like liberties. The Tunisian Communist Party proposed that liberties are indivisible and that every step that is taken to bring about those liberties is a positive step. Therefore, we welcomed all the gains that were made in that regard, that is in the area of liberties.

We also introduced new views and ideas into the economic and social fields, and we placed emphasis on the dangers of the new bourgeoisie and the capitalist trend. We also placed emphasis on the alternative which in our view does not mean

only back to the policy of the sixties. Instead, it means looking for new, progressive and democratic solutions. As far as foreign policy is concerned, we advocate the cooperation of Tunisia with all countries. That cooperation is to be based on the principles of peaceful coexistence and non-alignment.

Being an Arab country we are still calling for a firm stance opposite imperialism, particularly U.S. imperialism which is responsible for the misfortunes of nations and is impeding their liberation. The Palestinian question affirms the truth of what we're saying.

Question: How would you evaluate the present political situation in the country?

Answer: Some democratic gains have been made as a result of various struggles. Anyone who denies these gains by arguing that the democratic course has strayed and that liberties have been struck down is making a mistake and is confusing matters. We think that it's been the balance of powers and the struggles that have been fought which made gains of such magnitude possible. More numerous and more significant struggles will inevitably lead to more gains. The present situation is characterized by an ongoing single-party mentality and a relative lack of prospects. Therefore, we are repeating our request for an alternative. We are asking that occasions for that alternative be provided by joint action taken by the various democratic and broad progressive forces. It is only these forces that can realize that.

Question: On one occasion the Communist Party proposed the idea of regional action around which various leftist tendencies would agree. What happened to that proposal?

Answer: We are still pressing for it. There are obstacles, but we are not the ones putting up those obstacles. It is others who have their own proposals who are putting up those obstacles.

At present we are trying to cooperate with all tendencies, those that consider themselves leftist or non-leftist and those that have national and progressive stances. Also the idea of a regional action is a produce of something, not a beginning. Therefore, it must become ripe, and the necessary frame of mind must be available for it, particularly faith in common action for the common good.

We believe that solutions cannot come from one party no matter what its capabilities are. Our experience in that regard in Tunisia has been unequivocal. We advocate pluralism and at the same time alliances.

In Tunisia we must have pluralism and alliances.

Question: What does the Tunisian Communist Party think about the growing Islamic movement?

Answer: It is difficult for us to express in unequivocal terms our attitudes toward the differences we have with this movement under conditions when the Islamic movement is still being persecuted. We did express our solidarity with our colleagues in the movement against the tyranny to which they were subjected. One of them even told us, "The stance of the Tunisian Communist Party is an honorable stance."

We believe that if we had a democratic climate, we can conduct a constructive dialogue in which various ideas would interact. We are also pleased about the release of Mr Abdelfattah Mourou, with whom I have had a meeting of minds many times. We are also asking for the release of the remaining members of the party who have been detained, particularly Mr Rached Ghannouchi.

[Question] Action was recently taken within the Tunisian Communist Party regarding the Iranian Revolution whose actions were condemned and denounced. Why has the party assumed this negative attitude toward the revolution, particularly since it had supported the revolution in the past? Why was this position taken at this time in particular?

Answer] The action within the party that you are referring to is the result of an initiative undertaken by communist and non-communist Tunisian intellectuals. We had supported the Iranian Revolution, and we had hoped for good things from it, but we did have reservations and differences with the leaders of the revolution from the outset, and we expressed those ever since its inception.

We also said that there were pluses and minuses involved in the politicization of Islam. We noted down the deterioration in the course of the revolution which gradually became more far-reaching. In our newspaper we began making references that were somewhat loose to some of those minuses which ultimately prevailed over the revolution's actions.

The Tudeh Party had supported the revolution and exaggerated its potential even though we were aware of the possibilities of its minuses overcoming its pluses. But it was not our place to anticipate events and to put ourselves in Tudeh's place and evaluate the situation.

The turning point for our position came when matters went as far as executing those who had given the revolution their absolute support.

[Question] What is the nature of your relations with the other political opposition organizations on the scene and with the regime?

Answer] As an opposition party we have special relations with the opposition. Also as an opposition party we have relations of another kind, particularly with the regime and with the ruling party.

[Question] What is the relationship between the Tunisian Communist Party and Moscow?

Answer] Relations between the Tunisian Communist Party and the Communist Party in the Soviet Union are friendly relations. They are based on mutual respect and non-intervention in the affairs and independence of each party.

8/7/82  
GSO: 4554/5-1

TUNISIA

BRIEFS

PARTY CONGRESS DATE ANNOUNCED--The Central Committee of the Tunisian Communist Party held a meeting on July 5 and 6 to look into a number of party issues and Tunisian and Arab political questions. A decision was made during the committee meeting that the ninth party congress would be held during the second half of 1984. This congress will be the first congress to be held since the ban on the party was lifted. [Text] [Tunis AL-RA'Y in Arabic 15 Jul 83 p 4] 8592

CSO: 4504/505

IRAQ

BRIEFS

IRAQI GOLD IMPORT LAW--Baghdad, 16 Aug--The Iraqi Government has issued a new decree allowing gold imports by individuals. Previously, only the central bank was allowed to import the metal, selling it to goldsmiths for jewellery manufacture. The new law, published in today's AL-THAWRA newspaper, allows Iraqis to bring up to 250 grammes (nine ounces) of gold ornaments into the country duty-free. Any additional imported gold would be subject to a 35-per-cent duty. Non-Iraqis will be allowed to import only bullion gold, subject to a 35-per-cent duty on any quantity. NAB/Reuter [Text] [Rangoon THE WORKING PEOPLE'S DAILY in English 18 Aug 83 p 6]

CSO: 4400/507

ISRAEL

HARIF COMMENTS ON SITUATION IN LEBANON

TA121225 Tel Aviv MA'ARIV in Hebrew 12 Sep 83 p 5

[Commentary by Yosef Harif: "The New Line"]

[Text] There is one question bothering people these days in light of what is happening in Lebanon: Fifteen months after the beginning of the Peace for Galilee operation, is Israel not going to face the same situation it faced in May 1982?

The feeling that the terrorists will soon return to West Beirut and do as they please there while the Lebanese Government and President Amin al-Jumayyil are forced to surrender to them and the PLO's Syrian masters is rapidly gaining ground.

Is this terrifying scenario really going to become a reality?

It seems that this also--actually, mainly--depends on Israel. If Israel does not want that, it will not happen. The Americans--who have turned out to be a spineless support and who will continue to be the same even if the White House succeeds in increasing the number of the Marines in Lebanon within the framework of the multinational force--will not deter the Syrians and their proxies, the Druze and the terrorists. Only Israel is capable of doing that, and the Syrians know this very well. The Damascus rulers are clever enough to understand that as long as the issue at stake is an intersectorial war in Lebanon, Israel will not rush to help the Christians or the Druze. If the question at stake, however, turns out to be Israel's security then it will not hesitate to use its entire strength. In other words, it is wrong to assume that the Syrians--who are pulling the strings in the tragic war currently underway in Lebanon--are ignoring Israel. It seems that even though a red line has not been set, the Syrians are well aware of the line which, for their own sake and that of their lackeys, they should not cross. They will provoke the Americans but they will not dare provoke the Israelis.

Israel has warned Damascus through secret channels and the Druze through less confidential ones and has generally restrained its declarations and warnings. On the face of it, it is not clear what Israel will do or when. One cannot say, however, that it is not clear if it will do something.

Anyone taking a close look at yesterday's cabinet decision will get a good answer. The decision answers three basic questions: Will Israel heed the desperate appeal of the Christians, including President Amin al-Jumayyil, to come to their help? What are the military boundaries [qavey hatihum] within which Israel will operate? What will be the end of the Lebanese forces who cooperate with the terrorists?

The replies are formulated with "formal dryness" but their implications do not leave room for any doubts.

As for the Christians' aid request, Israel's position is that it is not a policeman who must impose order in a place where he does not belong. In other words, Israel did not pull its forces out of the al-Shuf mountains to have them go back there and reconcile the Druze and the Christians. Israel did just that for many months before it ordered the IDF to withdraw to the Al-'Awwali line. Al-Jumayyil and his men shut their ears; even the Americans acted in a bizarre manner. Ambassadors McFarlane, Lewis and Fairbanks admitted (and this is recorded in the minutes) that Israel made "over and above" efforts to arrange meetings between the Druze and the Christians and reconcile them. Moreover, Israel even proposed a draft agreement but the government in Beirut on the one hand and its U.S. patrons on the other did not digest the events and did not realize the pandemonium that might erupt if they rejected Israel's suggestions. Are the ungrateful Lebanese now really expecting the Israeli soldiers to shed their blood for them, for Amin al-Jumayyil and Shafiq al-Wazzan?

That is why in its decision the Cabinet stated: "The Cabinet expresses deep shock about the massacre of innocent civilians which were carried out in various places in Lebanon, and appeals to all pertinent elements to see to ending them."

"All pertinent elements"--that is to say, the Americans, the French, the Italians and all those who form the multinational force--should see to stopping the massacres, not Israel. Is that not the reason why the multinational force was formed?

In the next paragraph, however, the Cabinet stated: "Israel will continue to take all the necessary measures to guarantee the well-being of its citizens and settlements in northern Israel, and the well-being of the IDF soldiers."

In this paragraph, the appeal is not addressed to "the elements"--whoever they may be--but to ourselves. And there is no talk here about "see to ending," which is a banal term, but about an operational step--"to take all the necessary measures"--to guarantee the security of the northern settlements and "the well-being of the IDF soldiers." That is to say, any harassment of the IDF soldiers on the al-'Awwali line as well as of the northern settlements will provoke a massive Israeli reaction.

The Cabinet's call in the third paragraph of the decision on "the various forces in Lebanon" to abstain from cooperation with the "terrorist organizations" must be construed as a warning to the effect that anyone lending a hand to the return of the terrorists to Beirut might be affected, because Israel's goal was and remains only one: Not to allow a resurgence of the kingdom of terror in Lebanon. Presumably, the Syrians and the Druze--who are currently intoxicated by their victories over the Christians--will remain sober enough not to clash with Israel over its war against the terrorists, a war which was the essence of the Peace for Galilee operation and for which it paid dear price.

CSO: 4400/510

ABU-HATZIRA BECOMES FIRST FORMER MINISTER TO SERVE JAIL TERM

Tel Aviv HATZOFE in Hebrew 8 Aug 83 pp 1, 2

[Article by Shmuel Mittelman: "MK A. Abu-Hatzira Sentenced To Three Months in Jail"]

[Text] Yesterday, in the building of the High Court, a legal public precedent was set in the history of the country: a former government minister was sent to jail. This is the second instance of a member of Knesset in Israel being sentenced to jail.

Former minister and MK Aharon Abu-Hatzira was sentenced to three months in jail, after the High Court received the appeal of the state regarding the punishment imposed upon him because of the crime of theft of which he was convicted. Abu-Hatzira's appeal of his conviction in district court, as well as the state's appeal of his acquittal on other charges, were rejected by the High Court judges Meir Shamgar, Dov Levin, and Avraham Halima.

Surprise, confusion, and disbelief were apparent on the face of Abu-Hatzira, his attorneys, and his family, upon hearing the decision of the High Court from the mouth of Dov Levin, who read the short decision. Abu-Hatzira's seasoned attorney, Shlomo Zusim-Kohen, turned to the court and requested a delay in the implementation of the sentence. Judge Shamgar and his colleagues responded to the request immediately and ordered that Abu-Hatzira present himself at 2 Oct 1983 at 10:00 in the morning to the district court in Tel Aviv, from where he would be taken by the police to serve his sentence.

Present at the reading of his sentence were members of his family and friends of Abu-Hatzira from the Tami movement, including Deputy Minister Ben-Tzion Rubin and Director General of National Insurance Dani Azrieli. These persons, together with the defense attorneys Shlomo Zusim-Kohen and Ram Kaspi, conferred with Abu-Hatzira in the High Court hall immediately following the close of the session. At the end of a short discussion, Abu-Hatzira left the place, with a strained smile on his face and he refused to discuss the judgement.

His supporters, who filled the hall, appeared angered, but most of them remained silent. But one young woman, a family member, burst out in the hall: "They equate Abu-Hatzira to a murderer. Let the state be burned with the judges. All of them are cruel Nazis. They have no right to put him in jail for one day". The many police who filled the hall silenced her and removed her from the place.

A reporter from ITIM notes that in the event that a convicted person is sentenced to jail for up to three months, he may ask to serve the sentence by "outside work". Such work includes doing filing of papers at the police station, other clerical work, janitorial work, helping in the police garage workshop, and even serving coffee to policemen.

The request for outside work is filed with the commander of the district police, and he decides whether to authorize it. He takes into account the crime committed by the appellant, the degree of danger to the public, and his abilities. So, for example, the commander of the southern district authorized "outside work" with the police rabbi by the leader of the ultra-orthodox group, Rabbi Uri Bleu. In another case, convicted zealots requested "outside work" but were refused by the police, although the minister of interior intervened and granted the request. Two of those who had been convicted served their sentence by washing dishes in the kitchen of the Jerusalem police.

In a judgment covering 62 pages, most of which was written by Judge Levin and the rest by Judge Shamgar, they analyzed the criminal involvement of Abu-Hatzira in a charity fund set up in the memory of his father, Rabbi Yitzhaq Abu-Hatzira.

The fund was established in 1973, and the appellant was named head of its trustees. The state's attorney viewed the very creation of the fund, and its operation, as a measure taken by Abu-Hatzira and his friends who were among the founders, to receive funds by means of allocations and grants from the state treasury (Ministry of Interior), and this was done so that these funds would serve, contrary to law and practice, his private needs, and for the purpose of paying for the support of his friends and acquaintances, who would strengthen his position in party activities.

Abu-Hatzira denied these indictments and explained that the fund was a charitable institution to perpetuate the memory of his late father. According to him, the motives in setting up the fund were pure, and the acts performed were voluntary without any personal interest involved.

On 2 April 1982, the district court judge, Ms. Victoria Ostrovski-Kohen decided to convict Abu-Hatzira of the following crimes:

Theft through administration, for which he received a stayed sentence of 30 months in jail and a fine of 3000 shekels.

Deceit and violation of public trust by a state worker, for which he was sentenced to three months in jail, stayed.

On the other hand, the accused was acquitted of the crimes of receiving value by deceit under aggravated circumstances, conspiracy to commit a crime, and participation in forbidden dealings. The whole sentence facing the former minister was 51 months of jail, stayed, and a fine of 3,500 shekels.

Both Abu-Hatzira and the state appealed to the High Court, he for his conviction and the state for his acquittal on some charges, and because he was not actually sent to jail.

Following are the reasons of the judges for their decision:

First, Judge Dov Levin rejects the defense that the district judge attached excessive importance to the regulations of the fund and their meaning, while the fund was -- according to the defense -- a fund of meager activity for which there was no need for being precise in its rules of conduct and for demanding a systemized accounting.

Judge Levin reasons that this claim diverts attention from the central issue, and is in effect "a throwing of sand in the eyes", because Abu-Hatzira was convicted of receiving funds under false pretenses, and for purposes other than those for which the fund was designated, while the defense makes it seem as though he was convicted and punished for not following formal bureaucratic procedures.

Judge Levin then rejects the defense's claim that Abu-Hatzira should not be charged for his attitude towards the trust and its activity with moneys of the fund because that is the way in which many conduct such affairs, and the Ministry of Interior generally made indirect grants and allocations to various institutions and organizations. "Can the sin of one person purify the sin of another?", the Judge inquires, and he continues: "Shall the defective method and strange procedures which were sufficient to open an attack on the criminal intentions to unlawfully receive and unlawfully make use of state funds serve as a justification for one who sought to exploit his trust openly and clearly to receive and use state funds illegally?"

In this connection, Judge Levin dwells on the need for setting rules governing the granting of support by governmental ministries. He expresses the hope that the condemnation of this conduct by the district court and the High Court will hasten such reforms.

In his opinion, District Court Judge Ostrovski dealt with the accused in a manner of "mercy beyond the expected", and that the judgment "tends in an exaggerated degree to listen to that voice, and it is proper for the High Court to intervene".

7075  
CSO: 4423/172

ISRAEL

BRIEFS

WEST BANK, GAZA GNP--The West Bank gross national product [GNP] in 1982 rose by 9 percent, compared with a drop at a similar rate in 1981. The Gaza District GNP grew by 2 percent per annum over the last 2 years. These statistics do not include the activity in the Jewish settlements established in those areas, or the investment the Cabinet or the national institutes have put into the infrastructure in those areas during that period. Between 1968 and 1982, the GNP has grown in fixed prices in Judaea, Samaria and the Gaza District, by an average of 10 percent, which is 8 percent per capita. Private consumption grew by a 6-percent average per year as a result. The stability in West Bank GNP between 1980 and 1982 came following a yearly increase of 7 percent between 1972 and 1980. This data was provided by the Central Bureau of Statistics, which added that earlier, between 1968 and 1972, the annual growth rate stood at 21 percent. In the Gaza Strip there was a 10-percent rise per year up to 1972, followed by a rise of 5 to 6 percent in the following years until 1980, and 2 percent a year from then until 1982. [Text] [Tel Aviv HA'HARETZ in Hebrew 13 Sep 83 p 5]

FIRST LOCAL MADE DRONE ENGINE -- The first engine of the Shoreq-4 model was recently completed at the Beit Shemesh Engine Factory. The completion of production constitutes a high point in an engineering, production, and management effort which has lasted for three years. This engine is the first developed in Israel, and has been transferred to production line. During development of the engine, special thought was devoted to developing various aid systems, including a modern electronic control system produced by Reshef Systems Co. The intention is to market the Shoreq-4 engine in Israel and to foreign customers who have shown great interest and view it as a special engine. The Shoreq-4 engine is a small jet engine used to propel missiles, unmanned planes and target planes, at intermediate and long range. The engine has an operational life of 30 hours, and is relatively cheap. It weighs 60 kilograms, is 110 centimeters long. It develops great thrusting power — 360 kilograms — which gives it good flying qualities. The Beit Shemesh Engine Factory is considering the development of additional similar engines for a variety of operational needs and for the expansion of its market. [Text] [Tel Aviv BAMAHA in Hebrew No 49, 17 Aug 83 p 5] 7075

CSO: 4423/172

PROBLEM OF ASIAN LABOR FORCE ADDRESSED

Kuwait AL-SIYASAH in Arabic 28 Jul 83 p 3

Article by Khalil al-Wadi: "Asian Labor No Danger to Area Nations; Ghulum's Statements Do Not Represent Ministry Thinking"

Text The undersecretary of the Ministry of Labor and Social Affairs, 'Isa al-Yasin, in a press conference held yesterday morning in the hall of social affairs in the ministry, attended by Muhammad al-Shabnan, the assistant undersecretary for labor affairs, discussed the accomplishments and decisions that have been implemented during the current year. These included the juvenile law, which he described as most important, and two new decrees regarding rent rates for Kuwaitis and social welfare. He discussed in full detail the foreign labor law and how the ministry is handling it. In his conference, he also referred to the new handicapped facility, which is currently being equipped and the staff hired. He hopes to have it opened during the next few months. In his press conference yesterday, he also dealt with the youth sector and spoke of supporting their special centers with all the required resources, emphasizing that the ministry has received 200 applications for the various posts in the ministry, 160 for the workers in juvenile care and 500 employment applications for the handicapped house. He then discussed introducing modern equipment into the ministry, including the information center which, in the near future, is expected to cover all fields of administration affairs, in addition to having a computer. He also stressed that the ministry was very concerned about decentralization through the introduction of employment offices in al-Ahmadi Governorate, in cooperation with governmental agencies with respect to their recommendations, referring to the fact that the ministry's work is usually subject to change and reconsideration, since the ministry's sectors are usually connected with society in all its facets. He emphasized that Kuwait's society was rapidly growing, with many changes occurring that must be adjusted to, since each stage highlights new issues.

At the beginning of his talk, the undersecretary of the ministry dealt with the accomplishments of some of the agencies that have a direct relationship with the masses. He explained in detail what the labor office in the capital had accomplished. During the period from 1 January 1983 to 30 June 1983, it issued 53,474 work permits in the country, including 50,829 workers. It renewed 45,395 work permits during that same period, as follows: The office

authorized 2205 affidavits for transfer from dependence on a supporter to workers in the civil sector. It also authorized 6,394 affidavits for transfer from domestic service to jobs in the civil sector. The office authorized 770 transfers from government employment to workers in the civil sector.

In addition it approved 11,733 applications, with final cancellation, for travel and departure from the country. It also issued 94,101 labor cards for workers of the civil sector, article 18, in addition to investigating 74 facilities involving some 3,554 illegal workers.

He then dealt with the labor office of the Hawalli Governorate which, during the same period, accomplished the following: 87,278 labor cards, 179 complaints referred to the courts, 9,371 workers investigated, 1,066 reports sent to the courts, in addition to 4 to 5 times the number of visits which the ministry made each month.

After that, he explained the accomplishments made by the al-Ahmadi Governorate labor office. During 1982, it issued 12,330 labor cards and 5,560 service labor cards. Moreover, the number of labor complaints received totaled 675, in addition to 143 labor contracts authorized, 22 penalty regulations and 28 permanent regulations.

As for public assistance within the Bureau of Social Services, a detailed report was submitted, in which it was reported that the number of families benefitting from aid was 8,351, and the total monthly assistance during June 1983 amounted to 730,322 Kuwaiti dinars. In addition, the Public Aid Committee was convened for 12 sessions during the month of June, during which it adopted 837 decisions. Moreover, the number of families benefitting from rent allowances was 4,961. He also discussed the total amount of the cooperative societies' capitalization on 31 December 1983 [sic] which was 3,934,446 Kuwaiti dinars, whereas the capital on 31 March 1983 amounted to 4,132,614 Kuwaiti dinars.

As regards the Agency for Handicapped Care, the number of patients totaled 720, while in the area of care and accommodations for the mentally retarded, some 394 cases benefitted from this service.

#### No Justification for a Labor Sector Ministry

Later, he opened things up for discussion, and in response to a question about the establishment of a ministry especially for the labor sector and workers, the undersecretary of the Ministry of Social Affairs and Labor, 'Isa Yasin, said:

"Kuwait is a developing country, and its projects are intensive. However, the ministry is capable of accomplishing all the active projects that we now have in hand. There is no need to establish a ministry concerned with the labor sector, because this sector is basically tied in with various agencies both within and outside of the ministry. In addition, our job is basically to provide workers for Kuwait under certain terms and regulations. Our job is not to establish the structure and follow it up. That is the responsibility

of the Ministry of Interior. It appreciates the size of the burdens on us, and we appreciate their work load. In general, we are all in the same boat in terms of achieving our goals in the service of this nation."

#### Ghalum Does Not Express Ministry's Views

Concerning a question of policy regarding the interview that was conducted with 'Abdullah Ghalum, the assistant undersecretary in the Ministry of Affairs [as published], and his statement about the danger of Asian workers and his encouragement of the idea of establishing the labor fund proposed by Crown Prince Hasan of Jordan, Mr Yasin said: "I have ready what 'Abdullah Ghalum wrote. He certainly does not express the ministry's views, but rather, his own personal view. In addition, in his administrative job, Mr Ghalum is far removed from labor affairs and workers. Anyway, what he has said is nothing new. We have attended conferences which discussed this matter in detail. It falls within academic studies, all of which may not be correct. In addition, he does not state the facts of the situation, in such a way as to illuminate it. We are aware that there are outside forces which, by circulating such remarks as these, intend to sow fear in the hearts of the people of the region in dealing with this labor force. This includes their statement that this labor force is a group of recruits. However, none of these statements have any basis in fact. They are not issued based on reality, but are within various reports and studies.

"Concerning the matter of Arab labor, we encourage it and it has priority. However, it is also costly and not cheap, as some may imagine. In addition, we cannot force the employer to take Arab labor; our method is only to advise and guide."

In his comment on 'Abdullah Ghalum's statement concerning his support for the idea of forming an Arab fund which would be financed by the states recruiting labor, he said: "This idea was raised by Prince Hasan of Jordan, but it has not been universally supported. This fund would require capitalization from Gulf states and in this regard, we also have the view, in the event it is adopted and approved, that it would continue to be within the proposals offered that never reach final fulfillment. It is certain that Mr Ghalum's support for this idea is personal support and not official support stemming from the ministry. I wonder why you do not want to deal with Asian labor, especially since there are Muslims among them. The danger which you talk about has not as yet been proven to us."

#### Supply and Demand

The assistant undersecretary of the Ministry of Labor and Social Affairs, Muhammad Shabnan, discussed the same subject. "The labor market in Kuwait is a market of supply and demand. There are priorities for labor here, which first of all is Kuwaiti, then Arab and foreign. Naturally, a clamor is being raised over Asian labor, but it does not constitute a danger. For example, our experience with Koreans has in fact been proved successful during the successful major projects that have been accomplished. Most of the Asian

workers that have come here under major contracts were extremely productive by the testimony of the employers themselves. As for Arab labor, it is certainly higher in Kuwait, but it ought to be mentioned that we here in Kuwait deal with 120 nationalities."

#### Health Certificates

'Isa Yasin, the undersecretary of the Ministry of Social Affairs, next dealt with the matter of infectious diseases within the Asian labor force, including Herpes disease. He said: "Since the promulgation of the new labor law, this aspect has become more exacting. Our embassies abroad require a health certificate free of all diseases, in addition to a certificate of good behavior, for every worker who wants to come to Kuwait. After making sure that he is free of contagious disease, they authorize his entry and permit him to travel. Furthermore, the entry of any worker into the country is basically tied in with the approval of our embassies abroad which are concerned, in the first degree, with protecting the public health here. However, it is true that some might be able to obtain a fraudulent health certificate, but officials in the Foreign Ministry and working in our embassies abroad have experience and knowledge of the countries of those workers, making it very easy to uncover such frauds and put an end to them. They have their ways of ascertaining the accuracy of health certificates submitted to them. This crime can occur among any nationality, including Arabs, and is not restricted to the Asian labor force. Whenever conditions and factors of crime and willingness exist, crime exists."

"Since the time we were children, and before we took on our jobs here in the ministry, Asian labor existed in the country, even before the partition of India. We of course encourage Arab labor, and it is not at all true that we do not grant Arabs permission to work. The Egyptian labor percentage, for example, for the past 11 months has been very high, but we might have some reservations about the profession. For example, we cannot approve work permits for ironers or office workers; these skills are available. However, we would immediately approve the employment of workers for strategic jobs that the country requires."

#### The Business of Importing Labor

Concerning those employers or citizens who import labor for the purpose of material profit or gain, he said: "We can neither confirm nor deny such cases as these, but in general, our job here is not to monitor people or obstruct the interests of the citizenry. However, if an employer or citizen deceives us and we discover this game, the ministry then has other actions to take. There are some companies or organizations whose applications are not complied with for reasons that the ministry feels are connected with business, either that the ministry considers the number they have is excessive or it has not been convinced by the reasons submitted for it. However in general, we watch out for games like these, and the present law is deficient. This law has been discussed by a committee formed within the ministry, the Chamber of Commerce and the Workers' Federation. Some amendments have been incorporated in its articles, and we hope that, in the immediate future, a new law will be

enacted. At this point, I would say that some citizens have become aware of everything going on around them, and that some of them in fact aid in importing labor into the country for employment in other jobs without thought of reward or compensation by a specific amount. In general, it is a question of morals and behavior, and it is incumbent on us all to work for the welfare of this nation. Generally, the percentage of Arab labor is increasing daily, but I am unable to specify the decreed percentage for Asian labor. However, it is possible to control it."

#### Delaying Business Dealings

Concerning the complaint about delay in citizens' business transactions pertaining to the labor sector and workers, Muhammad Shabnan, the assistant undersecretary of the Ministry of Labor and Social Affairs replied: "What is being said about the matter of delay in processing citizens' transactions pertaining to the labor sector is untrue. We are very concerned about completing them just as soon as possible. However, in some instances, we delay some applications or we reject them because we are not convinced regarding them. It is true that sometimes we refuse to have a worker brought in by one company, whereas we approve another company bringing in the same worker. The reason is that the other firm in fact needs this worker and therefore, it comes down to our study of the situation presented to us. "In this regard, our work is continuous; there is always another person with business to transact. We have been forced to put separate air conditioners in these offices, despite the central airconditioning system, which is programmed for specific hours after which it shuts off. Therefore, the ministry's anxiousness to complete the citizenry's business is the basis for our dealings with them."

#### Social Assistance

Concerning the matter of lowering Kuwaiti family assistance, and whether it might be possible to include this assistance within the prerogatives of the Social Security Agency, Mr Yasin said: "This matter has been raised by some members of the National Assembly. We have been able to convince them that this is not a good proposal because the Social Security Agency basically depends on subscriptions paid in based on right, which means that you and the government pay in the amounts due. As for assistance, it is based on need and is a completely different process from the job of Social Security. We have many human cases, including the aged, the sick, the blind and so forth. We sometimes funnel this assistance into their homes through the units. We have in fact thought that we should remit this assistance to the banks, with the recipient of the aid being referred to the bank to receive his allotment. However, we have noted that many of them are incapacitated and some have conditions preventing them from getting to the bank. Most of the units concerned with assistance have one room for women and another room for men, along with iced water and vehicles that can be called upon for an old man or an old woman who cannot get back home. The ministry car takes them to the door of their house, and if we find anyone having difficulty in getting to the unit, the social worker in her monthly visit can bring the allocated assistance with her. In addition to this assistance, we also are concerned with the family case that requires our help, since we sometimes buy this family's requirements of food and clothing. We also help them to evaluate their children, if there is one who has a penchant for deviation.

**AL-'ATIQI DEFENDS COUNTRY'S INVESTMENTS IN WEST**

**Kuwait AL-MUJTAMA' in Arabic No 629, 19 Jul 83 p 11**

[Interview with 'Abd-al-Rahman Salim al-'Atiqi, adviser in Amir's office, on Kuwaiti Investment; interviewer, place and date not given]

[Text] [Question] There is no doubt that the development plans of the OPEC countries generally and of the Gulf countries in particular have been tied largely to oil. What is the fate of these plans in light of current and future developments?

[Answer] It is my belief that we have benefited more than others in investing the oil revenues in various projects, especially in the most important area of providing health care, education and social welfare to the citizen so that he can work productively with a clear mind, taking advantage of the opportunities offered. There is no doubt that the service projects set up as an infrastructure for industry and commerce are pioneer projects. Moreover, the state has helped in laying down the mainstays of the economic structure, through various companies and facilities and the incentives offered to those in industry, and of the banking services of all kinds. I don't believe that there is anything that needs to be changed. God be thanked, this year's budget has proven that we are doing well and that we can maintain our development priorities without any problem.

[Question] It is said that it may not be possible to get access to the financial surpluses of the oil revenues, most of which are invested in the West, particularly in the United States, should the need arise. An example is what happened to the Iranian funds and, recently, to the Kuwaiti-owned Sante Fe Company. What is the plan for dealing with such a situation?

[Answer] There are several points pertaining to this question that must be discussed:

The world today is an inter-related whole in which you cannot move something somewhere without having reverberations somewhere else. We are not about to make a comparison with what happened between the United States and Iran for political reasons.

The U.S. investment market is the largest in the world and our investments amount to no more than a drop in the rich sea of investment in the United

States. Exaggeration in this regard is a mistake. The United States will continue to be the largest market luring the investor with its results and its absorption capabilities.

Talk about the Santa Fe Company is exaggerated and has no impact on our investments in the company. The statement of the U.S. secretary of the interior is also subject to discussion and review and in no way affects the work of the Sante Fe Company in the United States.

It is well known that people are friends in prosperous times and that everybody worries about himself in hard times. Considering that the United States has opened its markets to foreign investment and that the foreign investor has agreed to enter these markets, which are less risky than others, then this investor must endure the hard times and must not forget the benefits he has reaped over the years. If the investor, be it an individual, a company or a government, is not prepared to accept difficulties in hard times then he is not fit to be called an investor because there is in the world no such thing as profit without loss. I don't believe that Kuwait's investments are in any political danger. I hope that the day will come when goodwill will prevail in the Arab countries particularly, and in Islamic countries in general, and when reason will be allowed to be the judge so that the Arab and Muslim investor may find a sphere in which he benefits and serves. Until that day, to which our common proverb [not specified] applies, the United States will remain the biggest and securest market for the absorption of investments.

We must also not forget that our financial investments, whether in the United States or elsewhere, have been made at our will and our choice of the best means to diversify the investment purse. It is generally believed that Kuwait's investments are given the best care and are distributed in the best manner to avoid risks.

[Question] There are those who claim that tying the development of the area's countries to oil in the form of petrochemical complexes and other kinds of complexes is in itself a mistake because oil is short-lived. What is your answer to this charge?

[Answer] I wish whoever holds this opinion would show us an alternative. Don't forget that I said at the outset of the interview that Kuwait has devoted special attention to man, who is the source of wealth. If we succeed in investing what the Kuwaiti citizen's mind offers, then this will produce all the good to which we aspire. We have examples to follow in this regard, considering that there are many nations that have no natural resource other than man and the secret of creativity and ability to produce that God has put in man.

8494  
CSO: 4404/527

LABOR UNION REJECTS PROPOSED CHANGES IN SOCIAL SECURITY

Kuwait AL-SIYASAH in Arabic 22 Jul 83 p 2

[Article: "General Federation of Kuwaiti Workers: Latest Amendments Introduced to Social Security Provisions Directly Affect Workers' and Employees' Rights"]

[Text] We have received the following statement from the General Federation of Kuwaiti Workers:

At its last meeting, the Executive Board of the Social Security Agency decided to amend article 19 of the social security law to state that the monthly pension payment shall be 65 percent of the average monthly salary in the final 5 years calculated in the pension, contrary to the stipulation of the same article in the current law which states that the monthly pension payment shall amount to 65 percent of the final monthly salary following 15 years of service.

The agency's Executive Board also approved an amendment introduced to article 26 concerning the end-of-service compensation, stipulating that the compensation be calculated on the basis of 10 percent of the average monthly salary for the final 5 years, whereas this compensation is currently calculated at the rate of 10 percent of the final annual salary for each of the first 5 years of subscription.

The General Federation of Kuwaiti Workers asserts that these two amendments directly undermine workers' and employees' rights after years of strife and hardship. They also undermine the rights of the military and the fate and future of thousands of families that rely on the pensions of their supporters. The General Federation sees no reasonable justification, other than what is being announced about austerity and spending rationalization, for such amendments, on the basis of which a part of the worker's and employee's pension is deducted.

We have stressed repeatedly that we do not object in principle to the rationalization of spending. Rather, we are among those most enthusiastic for curtailing the waste and dissipation of the public wealth. In the years of the "oil" upswing," we repeatedly stated our demands and our opposition to the general state budget's spending, which became inflated and multiplied in size in the mid-1970's.

But the General Federation of Kuwaiti Workers objects to the direction being taken by this "spending rationalization" when it finds that instead of proceeding to curtail public spending for the benefit of the few, the program is designed to curtail social spending provisions and to abolish or reduce a number of services, as has happened in the case of school meals and clothes, clinics, increased fuel prices and the tendency to raise the cost of electricity prices. On top of everything else, here comes the decision of the Social Security Agency's Executive Board to reduce the pension payments at a time when the state has spent 900 million dinars so far to compensate speculators in al-Manakh market, keeping in mind that the crisis is still present and that it will swallow more of the public money under the pretext of being solved. At a time when the laws have been suspended and have been repeatedly amended in the interest of the "knights of al-Manakh," attempts are being made to amend the social security law to the detriment of the overwhelming majority of employees and workers.

The General Federation of Kuwaiti Workers stresses that the attempts being made to saddle the citizens and the popular masses with the burdens of the oil crisis and al-Manakh crisis constitute a biased and dangerous policy that demands attention. The hardships experienced by the workers and people with limited income in dealing with the ever-rising cost of living are enough. On this basis, the federation rejects the two amendments proposed for the social security law and appeals to the government to reject them and not to approve them because they undermine the interests of the overwhelming majority of citizens.

8494

CSO: 4404/527

**NEED TO AMEND RENT LAW UNDERSCORED**

**Kuwait AL-MUJTAMA' in Arabic No 630, 26 Jul 83 pp 10-11**

[Article by 'Abdallah al-Khatib: "Need To Amend Rent Law in Favor of Tenant; 1976 Law Is Main Basis of Rent Problem; Tenant Succumbs to Landlords' Demands To Avoid Problems; Issuance of New Rent Law Is Urgent Necessity for Many Families Residing in Kuwait"]

[Text] The law of 1978 is one of the reasons for the intensifying rent problem because it contains the provisions that limit rent increases to no more than 100 percent after 5 years and allow demolition after 25 years.

**Glance at Previous Law**

The law issued on 19 December 1976 amending some provisions of law No 25 of 1971 regulating real estate rent and relations between landlords and tenants is the main basis of the rent problem. One of the reasons this law was issued was the fact that some landlords resorted to utilizing the loopholes in law No 25 of 1971, which was promulgated at a time when there was no actual housing crisis.

The landlords exploited the loopholes created by provisions 6, 7, and 8 of article 17 of law No 25 of 1971 which give the landlord the right to evict the tenant from the leased property if he wished to demolish and rebuild it. This is why law No 113 of 1976 suspended these provisions for 1 year, renewable by decree.

Some landlords also resorted to exploiting articles 5 and 6 of law No 25 of 1971, which provide for "requesting invalidation in case full use is not made of the rented property or in case the lessor fails to perform the necessary repairs." The landlords thus refrained from keeping up or maintaining the rented property so as to force the tenant to vacate. This is why the new law has amended the second paragraph of article 5 of the law regulating the relationship between landlord and tenant, i.e., law No 25 of 1971. The amendment empowers the tenant to reduce the rent to the degree that use of the property is diminished. Even though the law of 1978 regulating the relationship between landlord and tenant eliminated some flaws in the old law, the new law has intensified the problem because it contains the provision that the rent can be raised by no more than 100 percent after 5 years and the provision on demolition

25 years after construction of the building. These new features of the new law do not take into account humanitarian considerations involved in the implementation of the law. The 100-percent increase has a major impact on incoming families and families with limited income. There is also the landlord's desire to demolish the building and the consequence of this desire--eviction of the families occupying the building under the pretext of the law. These features have caused the new law to generate numerous negative effects.

#### Law Favors Landlords

Whoever examines the law will find in it numerous legal loopholes that some landlords still utilize in their favor. These loopholes are found in several provisions of the law and are evident in the following:

Use of the legal provisions that allow the landlord to raise the rent by 100 percent. Thus, the landlord has two options: Raise the rent by 100 percent, 50 percent or 20 percent, if the matter reaches the courts, or seek to evacuate the rented property, and this is greatly beneficial to the landlord.

If the landlord is financially capable and if he cannot get the desired increase (100 percent), he will request demolition, taking advantage of the legal provision permitting him to do so. In this case, families are affected and perhaps displaced. The new building replacing the old one will serve the landlord's interest because he can lease it for high rent.

The law permits the landlord to evict the tenant if he needs the rented property for his own dwelling or to house his children and wives. This undoubtedly will be used as a legal device for the eviction of tenants.

Some landlords have used the ploy of not demanding the rent on time and then resorting to the courts on the pretext of the tenant's failure to pay the rent, keeping in mind that the 20-day period of grace given the tenant is not adequate.

#### Circumvention by Landlords

There are also cases of circumvention and exploitation of the law in one way or another by the landlords. Here are some examples:

#### Phenomenon of Studio Apartments:

This phenomenon has become widespread. The rent for a studio apartment ranges from 130 to 150 dinars [monthly]. This apartment consists of two rooms: a bedroom and another room divided into bathroom and kitchen, with space for dining. I believe that a building consisting of 20 apartments can be redivided into 30 studio apartments, with the landlord collecting 4,500 dinars monthly in rent from the studio apartments compared to 3,000 dinars from the 20 apartments.

#### Rent Increase Before 5 Years:

This phenomenon is seen in the [landlord's] threat to take the issue to the courts. The tenant may be afraid of going to court and thus succumbs to the

landlord's threat out of ignorance of the law on the one hand and a desire to steer clear of problems on the other hand. The landlord offers to raise the rent by 20 percent every 2 1/2 years, with the total increase totaling 40 percent after 5 years instead of 100 percent. Of course, if the tenant were to go to court, the court would rule for a 20-percent increase for the entire 5-year period or might even disallow the increase altogether.

#### Exploitation of Subletting:

There are some families, in view of the high rents, that try to sublet their dwelling, thus sharing it with another family and splitting the rent.

The landlord objects and then shortly afterward demands that the rent be raised, threatening to take the matter to court if the tenant refuses to pay the increase. The landlord builds his legal argument on the issue of subletting and the tenant ultimately is forced to give in.

#### Need to Change Law

Therefore, what is required now is to change the present rent law by establishing legal controls so that the landlords' circumvention of the law is reduced to a minimum and the tenants are given legal support, because housing is not so much a matter of trade and investment as it is one of man's inalienable rights.

The issue of housing immediate family members as a legal provision that permits the landlord to circumvent the law must also be abolished. If such a provision has to exist, then the law should require the landlord to keep one of his apartments vacant for such future use. Should the landlord rent this apartment, then he should lose this right.

As for demolition, a committee must be formed to examine and determine the need for such demolition. If this committee finds sufficient need, then the landlord must be made to compensate every tenant with a sum equal to 5 months rent out of humanitarian considerations. As for the issue of delay in paying the rent, the law still contains a big loophole and it must be amended to guarantee the right of both sides.

The law must also provide for the existence of a committee to inspect new buildings or buildings whose tenants demand such an inspection to determine an apartment's rental value so that the rent will be commensurate with the apartment's size and the tenant's circumstances. Finally, the phenomenon of studio apartments can be curtailed. Therefore, the promulgation of a new rent law is an urgent and necessary demand. This law must take into consideration the humanitarian aspects and the interests of landlords and tenants.

8494  
CSO: 4404/527

PROSPECTS FOR NATIONAL ACCORD EXAMINED

Beirut THE ARAB WORLD WEEKLY in English No 683, 30 Jul 83 pp 5-9

[Text] US CALL FOR LEBANESE NATIONAL ACCORD LEAVES LEBANON ONCE AGAIN ALONE TO FACE SYRIA WHILE COPING WITH A PARTIAL SYRIAN WITHDRAWAL IN TRIPOLI & AN ISRAELI RE-DEPLOYMENT IN THE STH.

On many occasions during the week that has elapsed since President Amin Gemayel's meeting with President Ronald Reagan in Washington, US officials have called for the realization of national consensus among the Lebanese, underlining that it would be the only means to facilitate the deployment of the Lebanese Army in the mountain districts to be evacuated by Israel and, consequently, the only means to ensure that the multinational force could back the Army in this deployment.

Other western countries have also advised Lebanon to work on national consensus as a means to settle the thorny conflict between Druze and Christian militiamen in the Chouf and Aley districts, and also as a means to bring about a rapprochement with the "opposition."

In Lebanese terms, national accord means arriving at an arrangement with those Lebanese sides, factions and armed groups whose allegiance, one way or the other is to Syria and who reside, operate and issue demands from the regions under Syrian control.

For this reason the US call on Lebanon to achieve national accord first is strongly reminiscent of a declaration Mr George Schultz made several weeks ago, at the end of his first mission in the Middle East when he declared that now that agreement was reached on the signing of the Lebanese-Israeli agreement, it was "up to the Lebanese" to discuss with Syria the terms of its own withdrawal from Lebanon.

And this is particularly true since the formation, last Saturday of the Syrian-sponsored National Salvation Front which was proclaimed by Progressive Socialist Party and Druze leader Walid Jumblat.

Before the formation of this front, the situation was considerably different and even easier to handle for the Lebanese authorities. They faced the problem of a more or less imminent Israeli pullout from a region where clashes are

endemic between Lebanese Forces' militias and Druze and leftist militias. The crisis centered around one major problem: the fact that unless political accord was achieved, the Jumblatist forces would forcefully oppose the deployment of the Lebanese Army in positions evacuated by the Israelis. Hence, arriving at a political accord involved arriving at an agreement with the Druze leaderships.

A document of demands and principles was issued by Druze institutions loyal to Mr Jumblat.

The demands included points which were not acceptable to other Lebanese communities, particularly the Sunnite Moslems of Lebanon. The Sunnite leaders informed the government that they would oppose the Jumblat forces' call for the creation of a Senate to be headed by a Druze because this would give the Druze community a position in the government more prominent than that of the Sunnites. The reason being that the Senate would be part of the House while the Sunnites would only have the Premiership, a position which would lose its importance in front of a Parliament whose Speaker must be a Shiite Moslem and a Senate headed by a Druze.

Nevertheless, contacts were established with Mr Jumblat to have him come to the presidential palace and discuss the situation over with the President and the government. He declined the invitation on the grounds that his life would be in danger if he came. In the meantime, other developments took place on the Druze scene. First, the followers of Emir Majid Arslan resented the complexities posed by the Jumblatists and their propension to represent the entire Druze community. Second, several of the demands made by Mr Jumblat were described as unacceptable to a number of Druze institutions who expressed their belief that the higher interest of the nation required that claims and calls for rights be postponed until such time when the State had recovered its own rights itself.

The first problem to settle was, therefore, who speaks for the Druze and who heads the Druze community and can claim to represent it to conduct negotiations with the government over accord. No solution has yet been found to this question neither inside the Druze community, nor outside.

The second problem concerned the fear that the fighting of the past months has instilled in the minds of both the Christian and the Druze population of the Chouf and Aley districts. This is a major problem and sources close to the Lebanese Forces admit mistakes were committed on their part in the beginning which might be difficult to settle, but not impossible. Fear and uneasiness were further aggravated by external Syrian and Israeli interventions in the conflict. Observers believe that it is fear which has promoted the Druzes to accept the "helping" hand extended by the Syrians, and not any other reason or special affinities; a situation similar to that which prompted the Christians to accept the helping hand extended by Syria when they were surrounded and threatened by the Palestinians and their allies on the Lebanese scene.

To deal with this second problem the first step conducted by the government was to ask both Syria and Israel to keep hands off the Chouf-Aley conflict and to stop their assistance to either side or both. In this respect, unconfirmed

reports this week said that the spiritual leader of the Druze community in Israel might visit Baabda palace soon to establish dialogue with the Lebanese government.

Before the formation of this front, too, demands for better participation in power were made by the two other Mohammedan communities of Lebanon. Major importance was attached in observers' circles to the sermon-speech delivered by the Grand Mufti of the Lebanese Republic, Sheikh Hassan Khaled, at the Municipal Stadium during the Fitr Holiday. There has been no follow-up to this speech which outlined the various demands and this had led informed sources to conclude that by adopting this stand and making these demands, the Sunnite traditional leaders sought to "pull the carpet from under the leftist parties feet" so that they may not use the same demands to establish a platform for themselves again. In any case, official attention has focused on the demands and the process is underway.

On the Shiites level, the problem is in some respects similar to that of the Druze community, in the sense that it is difficult to determine who represents the Shiites. They have their representatives in parliament, headed by Speaker Kamel Al Assad and the Social Democratic Party which he leads and which regroups the Shiite educated elite. But Mr Al Assaad is not the only one. The Lebanese war has witnessed the emergence of the Higher Shiite Council, which developed under the wings of the spiritual leaders of the Shiite community, and the creation of the Amal movement whose main characteristic is that it is a movement whose members come from the popular Shiite classes who found in Amal movement--which has no particular ideology besides representing the Shiites--an alternative to the leftist parties. The three different Shiite poles do not agree among each other and do not share the same views but all three claim to represent the Shiites. The situation is further complicated by the many divisions inside Amal which has different political colours in Beirut, the South and the Beqaa.

The Shiites face another problem. During the years of the war, a massive exodus was registered from the Southern region to the capital, a phenomenon which has considerably increased the number of Shiites in the capital. Attempts to relocate those refugees in the South through assistance supplied by the Council of the South and other relief agencies have been opposed and obstructed by more than one side. But the presence of hundreds of thousands of Shiites in the capital, should it become permanent, constitutes a serious problem to the Sunnites for whom Beirut is the main political center, that in which they have the larger number of members of parliament on account of their demographic importance. For the time being, Beirut is the Sunnites' only "political stronghold" so to speak since Tripoli, the second major Sunnite city is under Syrian and leftist control and Saida, of lesser importance, under Israeli control and amidst a predominantly Shiite region. The Sunnites would very much like Beirut to return to them and are concerned over the implications for the future of a too important Shiite presence. For this reason they have urged a dissociation to be established between regular refugees, i.e. people who have nowhere else to go but the buildings and apartments they are occupying, and squatters, ie people who have other places of residence and livelihood but occupy premises unlawfully for profit.

Thus, before the formation of the front, arriving at political accord was not simply a question of redefining the rules of coexistence between the Christians and the Moslems of Lebanon, but settling an enormous backlog of problems resulting from the fact that the formula that was the apex of democracy in 1943 is not adequate anymore, but would take certainly more than a fortnight to be changed while two-thirds of the country is occupied and the rest continuously shelled and harassed.

Even conducting new parliamentary elections in such a climate is difficult if not impossible if one is to have a new parliament draw up the bases for accord. Because the question returns to square one, accord. Because the question returns to square one, accord before anything else.

Taking advantage of the pressures Syria can bring to bear on the Lebanese regime to promote demands is one way of looking at things and cannot prove very practical since the promotion of people and policies acceptable to the Syrians could be easily opposed by Israel which has its own armed presence in the country.

For this reason, priority was given to the withdrawal of all foreign forces from Lebanon and the realization of national accord came as a second priority. The two problems were separate, until the latest developments linked them together almost inextricably.

The National Salvation Front which was proclaimed last week by Mr Walid Jumblat has issued a charter which was signed by the following parties and organizations:

- The progressive socialist party of Mr Jumblat
- the Lebanese Communist Party
- the Organization of Communist Action in Lebanon
- the Lebanese branch of the Syrian Baath Party
- the Arab Socialist Union
- the Arab Democratic Party

They constitute also the "military" command of the National Salvation Front. On the otherhand, the political leadership of this new front includes two North Lebanon leaders, former President Suleiman Franjeh and former Prime Minister Rashid Karami. However, none of them signed the charter. Furthermore, Amal leader Nabih Berri has neither attended nor endorsed the charter.

Needless to say, all these parties and organizations belonged to the now defunct National Movement and were allied to the Palestinians and the Syrians before the Israeli invasion and are therefore considered to be among the forces that were "defeated" by the Israeli invasion and the collapse of the Palestinians in Beirut. They have restored a presence in regions under Syrian control in the Beqaa and the North.

Achieving national accord necessarily means arriving at an agreement with the National Salvation Front and not with the Druze leadership only (insofar as the Chouf-Aley problem is concerned). But the formation of the front has made

the realization of national accord almost impossible for the following reasons:

- 1) The formation of the NSF has linked all the "opposition" leaders and issues together, and has linked these leaders and questions to Syria, making it almost impossible to arrive at national accord without the approval of Syria and without dialogue with Syria, at a time Syria is making dialogue with Lebanon conditional upon the realization of national accord[
- 2) The new opposition has made dialogue with the State conditional upon the State's cancellation of the Lebanese-Israeli agreement of May 17, a measure which neither the United States nor Israel would accept. Furthermore, the new opposition has warned that it will resort to force to bring down the agreement and remove Israeli presence from the country.
- 3) The opposition includes parties and organizations hostile to Israel and their participation in power in one way or the other as a result of dialogue and accord could well be opposed by Israel .
- 4) As things stand now, it appears difficult to recover Mr Jumblat without having to accept all the opposition leaders, but the fact that only he, and Karami and Franjieh constitute the "political" head of the NSF may leave a very narrow room for understanding.

To achieve national reconciliation with Lebanese leaders who are in Beirut or "dare" visit Beirut could be a possibility but they usually belong to parties and factions with whom Syria is not on very good terms. Amal leader Nabih Berri has made a fiery declaration a few days ago in Beirut, criticizing the State's handling of the Shiite refugees situation; without suffering any harm afterwards and official sources have repeatedly called on all leaders to speak their mind but to do so in regions under the authority of the state so that credibility may be attached to their words.

Arriving at national accord in the current conditions appears next to impossible unless an agreement is achieved with Syria, which is equally impossible in view of the drastic conditions posed by Syria to agree to open dialogue with the Lebanese. Therefore, this week, Lebanese Foreign Minister Elie Salem has called on the Arab Ambassadors to Beirut to urge their governments to facilitate dialogue with Syria and stressed that dialogue with Syria was an Arab and not an American responsibility. A few days ahead of Mr McFarlane's visit to the Middle East, and to Damascus in particular, this attitude raised questions as to the outcome of the Lebanese President's talks in Washington.

There remains the hypothesis that the concerned sides know that national accord in the circumstances is impossible to achieve but wish to demonstrate it before resorting to other means to settle the Lebanese crisis and the troop withdrawal problem. This, however, will not appear until after Mr McFarlane has paid his visits to Israel, Syria and Lebanon.

So far, and besides fierce inter-Palestinian fighting in the Beqaa, the security situation has been remarkably calm for a whole week now, besides sporadic

exchanges in the mountains and the Beqaa. But random shell'ng has come to an end and no major artillery duels are taking place in the mountains. For some, this is an indication that the combined efforts of the United States and Saudi Arabia have already produced results.

The question however is what will happen should efforts to arrive at accord in the mountain or elsewhere face a stumbling block. Could diplomacy lose patience?

CSO: 4400/498

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LEBANON

EXTENT OF ECONOMIC PROBLEMS IN SOUTH DESCRIBED

Kuwait AL-SIYASAH in Arabic 23 Jul 83 pp 6, 15

[Article: "An Exclusive Report from the Scene on South Lebanon: the Heroes of the Second Invasion of Lebanon: Fruits, Flour and Israeli Merchandise"]

[Text] The president of the Federation of Trade Unions says, "The occupation created unemployment for 45,000. We cannot fight against hunger."

Sixty southern merchants declare their bankruptcy after the occupation.

The losses in citrus fruits this year amount to 500 million pounds.

South Lebanon is that zone which has not stopped bleeding. It is an area where the will of nationalists is put to the test. For it is in south Lebanon where human beings and their wills grow: the will of the people who responded when their land called on them. The people of south Lebanon shed their blood and are still shedding their blood as a sacrifice on the altar of south Lebanon's soil.

Ever since the day of national mourning, last June 6, and the first anniversary of Israel's invasion of south Lebanon, an economic and a security siege has been imposed by Israeli troops on the towns and villages of south Lebanon. There is terror these days in the towns and villages of south Lebanon like that which was felt during Israel's invasion of Lebanon last year.

All along the coast in a line from the Khaldah triangle to (Jisr al-Awli) at the entrance to Sidon, Israeli troops set up permanent police blockades to prevent the passage into south Lebanon of trucks carrying vegetables, fruits, flour, food and medical supplies. Israeli troops are forcing residents of south Lebanon to import Israeli products exclusively. On the Palestinian-Lebanese borders in the settlement of (al-Matallah) and in the village of al-Naqurah the Israelis also set up permanent offices for customs, for public security and for the police; postal offices; telephone offices; tourist offices; a bank; an office for the Ministry of Industry and Trade; a hospital; and taxi cab stops.

The Israeli Siege of Sidon

These days anyone who goes into Sidon, the capital of south Lebanon, is like one who is stepping into the unknown. Sidon is completely isolated from the outside world and life there is somewhat normal. Most stores and factories are closed,

and about 100,000 students are not attending their schools and universities. Only the soldiers of the occupation, who are in control of the situation, remain in the streets of Sidon.

Israel's siege on Sidon and its suburbs is now in its 5th week. The occupation troops assisted by forces subordinate to the army of Free Lebanon have continued to arrest civilian residents and to withhold from them food, water and medicines. In addition, power and telephone services have been disconnected, and no one is left in the area but children and old women. The forces of the occupation took hundreds of young boys and men between the ages of 14 and 50 to detention camps in Ansar and in Tel Aviv.

These forces which are stationed in Sidon and in al-Ghaziyah and their suburbs destroyed very large quantities of fruitful citrus [gardens]. Their vehicles and their tanks razed trees, olive orchards and wheat fields which provide the only source of livelihood for the area's residents.

Most of the cultivated land in the area was turned into [military] positions and barracks for the Israeli forces. Landowners were prevented from inspecting their land under the pretext that this land was located in a military zone where entry was not permitted without official permission from the military governor.

Residents of the region are now facing innumerable difficulties. These include depressed agricultural and commercial seasons that are the result of exports and the illegal practices of jobbers who began flooding markets in the south with various Israeli products. This caused workers in the agricultural sector to emigrate, and it threatened the future of hundreds of families in south Lebanon who earn their living working in this vital sector of Lebanon's economy. The disaster that befell that sector has been growing since the Israeli invasion of June 1982.

#### Israeli Exports

The latest statistics of the Chamber of Commerce and Industry of Sidon and south Lebanon indicate that Israel is exporting to Lebanon every month goods worth 8 million dollars, or 32 million Lebanese pounds according to the present rate of exchange. Farmer Sa'id Sa'id al-Khalil told Orient Press that scores of trucks come into south Lebanon from Israel via al-Naqurah and travel to the cities and villages of the region carrying Israeli goods to the markets of the south for the purpose of flooding the market with Israeli products after the forces of occupation closed all outlets and prevented the entry of goods and food supplies to the south via Beirut."

Farmer al-Khalil went on to say, "During this period Israel has been exporting daily to south Lebanon scores of tons of cherries, apricots and peaches. Most of these goods reach the markets of Beirut after the Israeli crates are replaced with Lebanese crates bearing Arabic labels."

This is what is happening regarding three kinds of fruits only. How would things stand if this were an example of what is happening with all the goods that are imported from Israel? It is precisely this point that tends to support the statement that [actual] import figures are much higher than declared figures. It is known that the negative effects of Israel's exports to south Lebanon were not

confined to those materials that are imported from Israel, counterparts for which can be found in Lebanon. In fact, these negative effects were also reflected on Lebanese products, the likes of which Israel does not export to Lebanon.

#### Citrus Losses: 500 Million

For example, Israel does not export citrus fruits to Lebanon, and south Lebanon is considered the principal center for the production of citrus fruits. Nevertheless Fu'ad al-Basat, a member of the union of owners of citrus fruit orchards in south Lebanon says, "This year, as a result of the Israeli invasion the losses of citrus fruit growers amounted to 500 million Lebanese pounds."

Mr al-Basat added, "It is true that Israel does not export citrus fruits to Lebanon. It is true that the citrus fruits were not exposed to direct Israeli competition. But the negative effects of Israel's economic invasion of south Lebanon were reflected on the citrus fruit season."

How?

Mr al-Basat says, "South Lebanon produces more citrus fruits than the Lebanese market needs. More than 60 percent of Lebanon's citrus fruits were sold in Arab markets. But this year all Arab markets were closed to the citrus fruits of south Lebanon because it was feared that Israeli products may be slipped into Arab markets. Thus, the citrus fruit season suffered a major loss."

#### The Reality of the Trade and Industry Sectors

If the citrus fruit season in south Lebanon was affected by Israel's economic invasion of south Lebanon, even though there is no Israeli competition for Lebanon's citrus fruits, what then would be the case for Lebanon's commercial and industrial goods and merchandise which are subjected to competition from Israel?

There are 2,600 commercial establishments and stores in south Lebanon employing about 14,000 workers. The commercial sector in the south is one of the economic sectors that has been hurt most by the war. Most of these establishments were destroyed and devastated by the war, and their losses exceeded 2 billion pounds. Some merchants were able to set up their stores again and to restore them, but the vast majority continued to suffer from an oppressive financial crisis. They had a cash flow problem, and the interest they had to pay rose. In addition to that unfavorable situation, they had difficulty selling the merchandise they had. Recently, 60 merchants in the area declared their bankruptcy since inexpensive merchandise was pouring into south Lebanon from Israel for which no customs fees or other fees had to be paid. These goods absorbed the cash surplus which residents of south Lebanon had. This cash surplus could have been exchanged for local goods or for Lebanese goods. According to the sources of the Sidon Merchants' Association, Palestinians used to spend about 20 million Lebanese pounds a month in south Lebanon.

What happened to the commercial sector in south Lebanon also happened to the industrial sector. Israel's invasion of Lebanon undermined about 611 industrial establishments employing about 5,747 workers. The losses of these establishments

were estimated to be about 700 million pounds. Most of them are still in ruins, and their owners have not been able to restore them, re-equip them and manage them again because of a lack of funds; because electricity, water and telephone services are not available; and because it is difficult for workers to travel from one place to another to avoid arrest and the destruction of lives that takes place on the borders.

#### The Status of the Ports of Sidon and Tyre

The ports of Sidon and Tyre, which were the marine gateways to south Lebanon, had a commercial fleet of over 61 ships and about 270 fishing vessels that were put out of commission by the disaster. They were burned during the days of Israel's invasion of Lebanon by the bombs that fell haphazardly from land, sea and mountains. Firms were burned, and the work of a life time was lost. The fortunes that were built over a life time were turned into fire and rubble instantly. Workers stayed away from work and became unemployed. They left south Lebanon in fear, and they continued to emigrate. There were long days of fury at the port where Israel's invasion left clear marks that are still there.

Most road systems; internal roads; water connections; and sewage, electricity and telephone systems have been destroyed. Consequently, commercial and economic services have been suspended. Damages to equipment and to basic systems was a total of 74 million pounds in addition to 1.5 billion pounds, the value of the losses for goods that were in the two ports [at the time of the invasion].

Some firms tried to resume operations, but they did not succeed because the forces of occupation stipulated that the owners of these firms deal with them or go to the port of Beirut.

That was what happened. Operations in the ports of Sidon and Tyre were restricted to fishermen who provided a living for about 800 families in both cities. However, since the day of national mourning last June 6, the first anniversary of the invasion, occupation authorities issued a decree suspending all fishing in the two ports. The new disaster thus affected about 1,500 fishermen who were prohibited from going out to sea simply because they took part in the strikes on the day of national mourning.

Fisherman Muwaffaq 'Abd-al-Dayim said, "As you see we spend the day without work. The Israelis used force to stop us from working; they prevented us from fishing. They are trying to stifle us: fishing is our only source of income. The Israelis arrested most of the young people and men, and the world is standing by and watching our tragedy. We are crying out and asking for the siege to be lifted. We want to feed our children, and we want to live in peace, security and stability."

An official for fishermen in the port of Sidon, Ra'uf al-Qahwaji said, "The Israelis want to bring us to our knees, and they want to humiliate us. But we will resist their domination and their tyranny with our patience and our devotion to our land and our homeland. Operations in the port of Sidon have come to a standstill. The case is the same in the port of Tyre because occupation authorities are preventing us from fishing in the open seas. Everything those Zionists are doing indicates that they are [planning] to stay in south Lebanon. The docks in the port have been turned into military bases for Israel's military battleships

which sail back and forth and watch our actions continuously. The Israelis arrested 225 of our fishermen, and they took them to the detention camp in Ansar. No one knows what happened to them."

#### Hasib 'Abd-al-Jawwad Speaks

Mr Hasib 'Abd-al-Jawwad, president of south Lebanon's labor unions spoke in detail about what workers in south Lebanon are suffering from as a result of Israel's practices.

We asked Mr 'Abd-al-Jawwad, "What are the pressures that workers in south Lebanon are subjected to?"

"Workers in south Lebanon are subjected to many pressures and practices. The sectors of production are suffering from a crippling economic crisis. It is known that occupation authorities imposed restrictions on the owners of commercial and industrial establishments and on the owners of orchards. These restrictions limited much of their activities and made them lay off large numbers of their workers. Now the families of those workers are being threatened with starvation and homelessness. Most of them are now unemployed, and some of them had to go to Beirut or [elsewhere] to look for a new way to earn a living."

"Are there accurate statistics about the number of workers in the sectors of production who were hurt by all this?"

"There are no accurate statistics yet. But it may be said that there were approximately 6,000 workers in the commercial sector; about 4,000 workers in the industrial sector; close to 21,000 workers in the agricultural sector; 9,000 workers in the construction sector; and about 2,800 workers who were employed in the ports of Sidon and Tyre. In addition, 1,500 fishermen were recently prevented from pursuing their fishing activity by the occupation authorities. In other words, there is today a total of 44,300 unemployed workers in south Lebanon."

"Did you take measures with influential economists in south Lebanon to put an end to this social disaster?"

"Influential economists and proprietors of production facilities in south Lebanon lack the ability to confront these facts. If it were up to them, they would not have laid off these workers. It was the occupation authorities after all that forced most employers to close their stores and shut down their factories. Also many farmers lost their land because it was turned into barracks and military positions for the occupation forces. Furthermore, most of this farm land was scorched."

"Did you ask for the assistance of the Ministry of Labor and Social Affairs?"

"All the assistance that the Ministry of Labor and Social Affairs can offer us was restricted to measures that made it easier to issue work permits to workers who wished to leave Lebanon. The ministry also offered some social assistance to unemployed workers. They received [unemployment] compensation from the social security fund."

"Do you have specific demands?"

"All that we are asking for is that the state and local, Arab and international associations and unions take action to help us and to rescue us. Otherwise, the social disaster will affect thousands of south Lebanon's families as a result of the inhuman practices that are carried out by the Israelis. The purpose of these practices is to force citizens of south Lebanon to their knees and to force them to do business with the occupation authorities. Residents of south Lebanon would be forced to import from Israel everything they need for their lives."

Finally, Mr Muhammad al-Za'tari, president of Sidon's and south Lebanon's Chamber of Commerce and Industry, spoke about the true economic reality that is plaguing south Lebanon today. He asked the Arab countries not to close their markets to the products of south Lebanon, and he asked that Arab countries stand alongside the people of south Lebanon in their present confrontation with the forces of occupation.

"How would you evaluate for us the implications of Israel's economic attack on the south?"

[Mr al-Za'tari said], "It is a known and established fact that Israel's domestic market does not absorb the goods that are locally produced. Consequently, Israel needs foreign markets. The Arab boycott of Israeli goods and goods imported via Israel imposed effective restrictions on Israel's products so that Israel's domestic markets became cramped with products that were piling up. This created a few stifling economic crises within the Zionist entity which it was not able to overcome without much assistance and copious loans from the United States and from western countries. This caused the ratio of foreign debts to the ratio of production to rise.

"Therefore, after its first invasion of Lebanon in 1978 Israel established 'the good wall' as soon as the state of Free Lebanon was declared. Israeli authorities opened the borders between the residents of border strip villages and the residents of Israeli settlements for the purpose of slipping Israeli merchandise and products into these villages and flooding them with Israeli goods. Israel can thus save its economy from collapsing by dumping its local products on the residents of south Lebanon at cheap prices. Israel was helped in this by the absence of Lebanon's lawful government from this region."

[We asked], "But didn't some merchants respond to them and do business with them? Wasn't it through those merchants that the economic normalization process effected?"

[Mr al-Za'tari said], "We are going after those who are doing business with Israel because we realize that we have a responsibility to protect Lebanese interests. We also have to protect the interests of Arab countries with which we do business. The information we get on those who do business with Israel is made universally available to the remaining chambers of commerce and industry in Lebanon and the Arab world. We do this in an attempt to preclude the issuance of certificates of origin to those persons from any source. This would stop their export operations."

[We asked], "What penalties are imposed on those merchants whose business dealings with Israel are established?"

[Mr al-Za'tari said], "The penalties include crossing out the merchant's or the organization's name from the list of the Chamber of Commerce and Industry. This prevents the merchant or the organization from exporting."

[We asked], "Were there illegal operations in south Lebanon that enabled Israel to bring its merchandise into some Arab markets?"

[Mr al-Za'tari replied], "Let me affirm that there were no illegal operations in south Lebanon regarding Israeli goods or merchandise imported via Israel. This is because no merchandise can be exported from Lebanon unless that merchandise has a certificate of origin, which is a basic document issued by chambers of commerce in Beirut. These certificates are issued and transcribed so they can be submitted to Arab countries to allow the export process to take place legally."

"On this occasion I am calling upon Arab chambers of commerce and industry and the Israel boycott office to coordinate efforts with Lebanon's chambers of commerce for the purpose of preventing Israeli merchandise from infiltrating the Arab world. I am calling on them to do this instead of imposing a ban on Lebanon's exports. Without questioning the earnestness of this ban, let me say here that south Lebanon is not the first Arab country to be occupied by Israel. I am surprised by the fact that our products have been the first Arab products to be boycotted by Arabs because Israel is occupying our homeland. I am wondering why Arab countries did not impose a boycott of exports from the West Bank and the Gaza Strip which have been occupied by Israel for 16 years."

[We asked], "How would you evaluate for us today the reality of south Lebanon's sectors of production under Israeli occupation?"

[Mr al-Za'tari said], "The Israeli invasion and the siege of Sidon, the capital of south Lebanon, lasted for over 7 weeks. This led to the destruction, devastation and collapse of buildings and institutions. It caused operations in vital facilities to be suspended, and it brought to a standstill most economic activities in the region."

"There is no doubt that Israel's invasion of Lebanon made economic and social conditions more complicated and aggravated a number of problems. Ever since the invasion in June 1982 operations in most facilities and sectors have been brought to an almost complete standstill. Almost all the factories in south Lebanon suspended operations as did markets, stores, commercial institutions and the two ports of Sidon and Tyre. Even bank activity ceased; it was confined to the operations of the fund. In addition, Israel's invasion and the military operations that resulted therefrom caused and are still causing basic disruptions in public services. For example, power service has been disrupted, and a harsh code that was adopted resulted in grievous losses. This is in addition to disruptions in telephone, telex and water services."

[We said], "It is known that the economy of south Lebanon is based on the agricultural sector which is regarded as one of the sectors that was damaged most by Israel's invasion. Can you give us an idea of what the present situation is like?"

[Mr al-Za'tari said], "Recently complaints about depressed agricultural seasons have increased, especially in south Lebanon and specifically regarding citrus

fruits, bananas, apples, cherries, apricots, olives and other fruits. This depression manifested itself in major losses sustained by farmers, owners and underwriters. This became evident from the petitions that were filed and submitted to officials. In most cases sale prices for agricultural products are below cost.

"There are economic, political and natural reasons for this depression. Conditions in south Lebanon deteriorated because of illegal competition, because exports to Arab markets were suspended for political and non-political considerations and because the government was not able to find a solution to the problem of depression under present conditions. Therefore, we are hoping that the government will soon be able to spread its influence in our favor. However, this situation which we hope will not last long ought not to keep the state from looking for other means of support and assistance, particularly for the agricultural sector. It may be possible under [present] conditions for the agricultural sector to get easy terms on credit from the Agricultural Development Bank which was to be revived recently. The statute establishing that bank was issued in 1977.

"It may also be possible to exempt the agricultural sector from some financial restrictions and to encourage incentives that would help reduce costs so we can stand up to the competition both locally and in foreign markets. Shoring up the economy of south Lebanon is a top priority demand in all areas, and shoring up the economy of south Lebanon is to begin by shoring up the agricultural sector."

8592  
CSO: 4404/524

## EXPORTS FALL SHARPLY IN 1983

Paris AN-MAHAR ARAB REPORT & MEMO in English No 34, 22 Aug 83 pp 3-4

[Text]

Lebanon's exports and re-exports during the first six months of 1983 were worth only half of the value of its export trade during the corresponding period last year and the drop has continued in July. Meanwhile, Lebanese merchants have appealed to the authorities for lower import duties on the type of goods still being brought into the country through illegal ports, including the Israeli port of Haifa, and official estimates put losses to Lebanese farmers in the Israeli-occupied southern region at LL 800 million (about \$175 million) as a direct result of the occupation.

According to a report published last week by the Beirut Chamber of Commerce and Industry, exports of Lebanese goods during the first half of 1983 were worth LL 1.6464 billion (about \$362 million), a drop of 48 per cent when compared with goods worth LL 3.222 billion (about \$700 million) in the same period of last year. Re-exports during the first half of this year were down by 51 per cent to LL 426.2 million (about \$90 million), the Chamber reported.

The value of Lebanese industrial exports continued to fall in July, according to a report in Beirut's daily *L'Orient-Le Jour*. These exports were worth LL 87.751 million (about \$19 million), a fall of 21.9 per cent when compared with exports in June worth LL 112.407 million (about \$24.4 million).

The virtual disappearance of the Iraqi market for Lebanese goods was the most striking change in the pattern of Lebanon's export trade. Exports of Lebanese goods to Iraq during the first half of 1983 fell by 86.3 per cent although Iraq was still Lebanon's second-largest market. Exports to Iraq during the first six months of this year were worth LL 80.8 million (about \$17 million) compared with LL 587.4 million (about \$128 million) during the same period of last year. Iraq's share of Lebanon's export trade fell to only 8.4 per cent during the first six months of 1983, but the share rose to 13.8 per cent for industrial exports in July.

Saudi Arabia has remained Lebanon's biggest customer and exports to the Kingdom have fallen only slightly

despite restrictions on Lebanese goods imposed by the Saudi Arabian authorities during the early months of this year to keep out Israeli products exported to Lebanon. Saudi Arabia's imports of Lebanese goods were worth LL 585.4 million (about \$127 million) during the first half of this year. This is a fall of 8.5 per cent when compared with the same period in 1982, when these exports were worth LL 640.2 million (about \$140 million). Exports of manufactured goods to Saudi Arabia were worth LL 54.382 million (about \$12 million) in July and represented 61.7 per cent of total exports of industrial goods.

There have been sharp falls, however, in Lebanon's export trade with Kuwait, Jordan and Syria. Exports to Kuwait were down by 39.1 per cent when compared with exports during the first half of 1982, while the value of exports to Jordan was down by 74.3 per cent and for Syria by 65.7 per cent when a comparison is made of the two periods under review.

The closure of the main illegal ports in Lebanon in March provided the government with vitally needed revenues from customs receipts, and these were worth LL 740.7 million (about \$165 million) during the first six months of this year, an improvement of some 260 per cent on receipts during the same period of last year. But smuggling has not ceased and a delegation headed by Victor Cassir, President of the Beirut Merchants' Association, last week appealed to the head of the customs service for lower duties on some imports to enable legitimate traders to compete against smuggled merchandise. Haifa, where goods bound for Lebanon are landed duty-free, and the Syrian-controlled port of Tripoli are now Lebanon's principal illegal ports.

Some of the damage to Lebanon's economy due to the Israeli occupation of the southern portion of the country was set out last week by the official Lebanese ANI news agency. It estimated losses to Lebanese farmers in the occupied region at LL 800 million. This was due to their inability to export their produce and also to competition from exports from Israel of agricultural produce at prices below Lebanese production costs, ANI stated. Israel subsidises exports to the tune of 20 per cent of value added, but exports of farm produce enjoy additional subsidies of between 10 and 30 per cent of sectoral value added.

ANI quoted an unnamed official of Sidon's Chamber of Commerce and Industry as saying that economic difficulties in the south had led to the departure of between 30 and 40 per cent of the region's population. There had likewise been a considerable flight of capital from the region and purchasing power in the occupied territory had fallen significantly, the official said. ANI said there were widespread fears in the region that Israel's redeployment of its forces to below the Awali river just north of Sidon would lead to economic paralysis in the area that will remain under Israeli control.

ANI said the large number of road-blocks in the region and problems faced in transporting merchandise had led to a sharp fall in exports of industrial goods from the occupied territory. These had fallen by two-thirds, from LL 15 million (about \$3.2 million) in January and February of this year to LL 5 million (just over \$1 million) in June and July, ANI reported.

CSO: 4400/502

## CDR'S CHAIRMEN REPORTED TO HAVE RESIGNED OVER POLICY DIFFERENCES

Paris AN-NAHAR ARAB REPORT & MEMO in English No 34, 22 Aug 83 p 4

## [Text]

Dr Mohammad Atallah, Chairman of the Council for Development and Reconstruction (CDR) since its foundation in 1977, recently submitted his resignation to the government before leaving the country with his family on a long vacation. However, he made sure that his whereabouts were known to the Lebanese authorities in case they wished to make a serious effort to resolve differences of approach with the CDR.

During most of August, Dr Atallah holidayed at St Maxim in the south of France before moving to Paris to stay with friends who had shared the frustration of the first five years of the CDR's existence when political upheavals and insecurity ruled out reconstruction in Lebanon. There is little doubt that Dr Atallah's tactic is designed to ascertain the reaction of the Lebanese authorities to the possibility of his permanent absence from the CDR. This suggests that he does not wish to drop the mantle of responsibility, provided that certain conditions are met.

Further evidence of the CDR Chairman's desire for talks was provided last week by Rafic Hariri, the Saudi Arabian tycoon of Lebanese origin. Mr Hariri flew into Beirut airport one day before the airport reopened for commercial flights. He was carrying a message from King Fahd concerning the problem of the Shuf and had attended last week's meeting between the Saudi Arabian ruler and Druze leader Walid Jumblatt. In addition to the political message, Mr Hariri broached the subject to Dr Atallah's resignation.

While playing host to Dr Atallah in St Maxim for the past three weeks, Mr Hariri was able to grasp the nature of outstanding differences in the CDR. He undertook to get Dr Atallah reinstated provided the disputes over responsibilities and veto rights in the organisation were resolved in Dr Atallah's favour.

In May and June, Dr Atallah clashed with a number of his colleagues in the CDR over a negotiated contract which he had signed on May 5 with Zakhem Engineers, a Lebanese construction firm. The contract was for the rehabilitation of roads in South Lebanon and expansion of the electricity and telephone network there. The LL 240 million (\$51.6 million) price-tag on the contract was challenged by other CDR members, included Dr Salah Abi Zaid who had countersigned it. The other CDR members called for competitive bidding, which resulted in an offer by Riad Rizk in association with the Al-Mabani group to do the work for LL 203 million (\$43.6 million).

In the meantime however, Zakhem Engineers had gone ahead with the work, buying and shipping in heavy equipment and acquiring a 1,000-square metre warehouse. Their out-of-pocket expenditure therefore runs into millions of Lebanese pounds and they can sue the Lebanese government for compensation.

This was the episode that triggered Dr Atallah's resignation, but other sources of irritation had emerged. In particular, the CDR Chairman resented the fact that a financial protocol with France providing FF 1 billion (\$124.2 million) in credits for Lebanese development projects was signed by the head of Lebanon's newly-created National Council for External Economic Relations (NCEER). Dr Atallah felt that the CDR, as the body which had started negotiations for the deal, should have concluded it. Furthermore, in his view, more favourable terms could have been obtained.

How this situation will be resolved remain unclear. In the meantime the CDR's work has come to a standstill because of the dispute over its terms of reference. These could be changed either to meet Dr Atallah's demands or to restructure the organisation without him. Dr Atallah would like to return, but it is not certain that the higher authorities want him reinstalled with stronger powers.

CSO: 4400/502

RAILWAY DEVELOPMENT PROJECTS PLANNED

Beirut THE ARAB WORLD WEEKLY in English No 685, 13 Aug 83 p 11

[Text] The head of the Railway and Public Transport Department in Lebanon, Mr Abdallah Shuhab revealed last week that the Department has plans for the development of Lebanon's railway network. He said the first project is currently underway, while the other, a master railway upgrading and rehabilitation and development scheme will be implemented over a period of 10 years.

Giving details of the planned development projects Mr Shuhab said the plan currently in progress envisages operating the train between Tripoli and Sidon to carry cargo and passengers as of the beginning of 1984.

He said allocations have been made for urgent repair work particularly on the Beirut-Damur section of the coastal rail-line. He said LL 150,000 were allocated for the purchase of parts to be used in strengthening the existing rail-line while LL 200,000 will be spent to increase the number of maintenance teams.

Mr Shuhab added that a total of LL 150,000 will be spent to repair the Hissa bridge. A total of LL 35 million will also be used in strengthening the existing rail-line while LL 200,000 will be spent to increase the number of maintenance teams.

The Department will also buy passenger trains for a total of LL 13 million while LL 200,000 will go to repair train stations and service buildings along the coastline.

CSO: 4400/502

FORMER PLO OFFICIAL REPORTEDLY LINKED WITH MOSSAD

Athens KYRIAKATIKI ELEVTHEROTYPIA in Greek 28 Aug 83 p 3

Article by G. Kanellakis: "Who Is This Renegade Arab?"

Text Sentenced to death by the Palestinian Revolutionary Council is this Arab renegade, 'Abu Nidal. About 12 years ago he betrayed the Palestinian movement and became an agent of the Israelis thus organizing with the MOSSAD (the Israeli secret services organization) assassinations against PLO men.

'Abu Nidal, 50, is now headquartered in Syria where he plans his assassination attack against the Palestinians who are struggling to gain a piece of their own land, their country. Reports say that he is connected with the assassination of Ahman Muhamet Sianiz at Alimo.

This renegade Arab, who, according to Palestinians, betrayed both his country and the struggle, was a few years ago an Al Fatah member. He was a member of the Revolutionary Council of the Palestinians and fought with them. But he deserted them and since then has become a tool of the Israelis who used him against the Palestinians in order to justify their brutal actions against them.

The Triple Game

In 1972 the Palestinian Revolutionary Council condemned him to death. Following this action he chose to set up his own organization and his own camp, receiving abundant assistance from the Iraqi secret services.

Some time later he realized that his apostasy, his betrayal and his assassination attacks against the Palestinians was a big mistake and decided to ask that he be allowed to return to Palestine. But Al Fatah refused. Since then he ceased to appear on the political scene but has been behind any assassination attempt against PLO followers.

In order to muddy the waters and to create internal problems to the struggling people of Palestine he gave to the organization he established the name Al Fatah Revolutionary Council under which he carried out many assassination attacks against his compatriots while at the same time circulating the rumor that "what he was doing was for the good of his fatherland."

In his desire to serve Israel, 'Abu Nidal said about 12 years ago that he disagreed with Al Fatah's objectives and he cooperated with Iraq. Later and all of a sudden he became a tool of Syria and for a while he played the role of double agent. All his close collaborators, however, were MOSSAD agents.

To encourage him, MOSSAD's secret services supported him and supplied him with previous information concerning the Palestinians and their feelings towards him. According to announcements made by Palestinians last year, 'Abu Nidal was connected with the assassination of PLO cadre Sartasoui [trans-literation] who was killed in Lisbon by MOSSAD agents.

#### CIA Report About MOSSAD

American experts also dealt with MOSSAD a few years ago and had prepared a secret report for the CIA. 'Abu Nidal did not know about this report. It was top secret but became public when Khomeini followers took over the American Embassy in Teheran. The report was published in certain Persian magazines of limited circulation. According to it, the objectives of Israel's secret services and MOSSAD were:

- a. Arab Countries: Their intentions and possibilities against Israel. Their relations with other countries and particularly with the USSR. Their establishment and diplomatic delegations in all parts of the world. Their leaders, their forces and their morale.
- b. USA: The U.S. government plans for Israel. Gathering information about U.S. intentions and plans and about any secret decisions.
- c. Technology: Gathering of data on scientific matters and advances in the U.S. and other advanced countries.
- d. Eastern Europe: The policy of the communist countries towards Israel. A study of the problems of Jews abroad.
- e. Anti-Zionism: Monitoring all anti-Jewish, anti-semitic, anti-Zionism trends in all countries.

MOSSAD assumed most of the responsibility for the collection of information in foreign countries. Its agents circulate comfortably in many cities, including Arabic cities. All of them possess 2-3 passports, false identifications and declare different identities. 'Abu Nidal and his agents also are used in similar missions.

MOSSAD's stations and station chiefs in the Middle East (excluding the Arab countries) operate through the embassies and consulates of Israel. It should be noted that--according to reports--'Abu Nidal has received extensive instruction from MOSSAD agents.

This secret service keeps track of friends and foes. In 1954 the American ambassador in Tel Aviv discovered that in his very office MOSSAD and Shin Beth agents had hidden microphones. Two years later the American military attaché found electronic "bugs" in two of his telephones. In 1960, the chief of the Joint Israel-Jordan Armistice Committee discovered a "walled" microphone.

The PLO people insist that 'Abu Nidal cooperates with this Israeli spy organization. It is for this reason that the Palestinian fighters and more specifically the Revolutionary Council has sentenced him to death.

7520  
CSO: 3521/436

## SECOND QUARTER CARGO IMPORTS FALL

Doha GULF TIMES in English 4 Aug 83 p 23

[Text]

CARGO imported into Qatar during the second quarter of this year fell substantially as Qatar's economy battles hard against recessionary trends.

Figures released by Qatar National Navigation and Transport Company Ltd for cargo imported into the country during April-June show a 19% fall over the same period of 1982. Total imports fell to 531,413 freight tons from 656,034 f/tons in 1982.

Almost all prime economic indicators showed a downturn during the same

period. For example, imports of manufacturing goods fell by 11% from 66,360 f/tons to 59,049 f/t during April-June.

Iron and steel imports for the same period fell by 43% from 14,948 f/t to 8,503 f/t; construction materials from 72,016 f/t to 51,438 f/t; pipes by 37% from 11,052 f/t to 6,893 f/t; plant and machinery by 58.5% from 30,625 f/t to 12,728 f/t, cement by 56.4% from 112,664 f/t to 49,081 f/t, vehicles by 18.8% from 6,279 units to 5,096 and foodstuffs by 27.7% from 26,167 f/t to 18,911 f/t.

The Government ensured that enough

basic food was available to people by substantially stepping up wheat and rice imports. Wheat imports during April-June amounted to 19,727 f/tons compared with 6,732 f/t for the same period during 1982, a steep rise of 193%.

The number of ships calling at the port during the period went down from 212 in 1982 to 184. Overall cargo imports rose from Australia (from 370 f/t in 1982 to 18125 f/t during 1983) and India/Pakistan/Gulf (from 18383 f/t to 18505 f/t during 1983). Imports from Europe, Far East and USA/Canada showed substantial decline.

CSO: 4400/506

## SOURCE SAYS OIL SLICK DANGER PAST

Doha GULF TIMES in English 11, 12 Aug 83 p 3

[Text] Fears of the Gulf's so far elusive oil slick hitting the shores of Bahrain and Qatar this month have been discounted by a well-informed source in Qatar.

"All this talk about the worst yet to come is wholly baseless from our viewpoint," the source said.

"Based on factual data and calculations of wind velocity and direction, we had reckoned the worst of the slick would be coming in June for the entire Gulf region.

"June is well past and nothing serious has really happened."

"The Nowruz oil has been flowing for many months now. But after two weeks only some 20% of this remains, down under the water. It is going to stay like this. And given the density of Nowruz oil, the slick will not come up," the source said.

Some theories have it that cooler September water may make the slick rise again. This was also discounted by the source.

Information on currents, wind velocity and direction throughout the Gulf have been collected and analysed by the Department of Meteorology's Port Section in association with Qatar's Environment Protection Committee.

The exercise, called vector analysis of wind, attempts to project a mean vector wind, taking into account not only the speed but also its direction and duration.

Given this data, the source said, it is easy to project wind speed, direction and constancy. For instance, June is considered the worst period in terms of wind conditions.

Bahrain had in June a wind speed of 8.91 knots, at 318.3 degrees with a constancy of 83%. This is predicted to scale down to a wind speed of 4.98 knots at 322.4 degrees at 65.6% constancy during September.

Similarly, Ras Rakhan in Qatar is stated to have had in June a wind speed of 9.87 knots at 320.7 degrees with 83.2% constancy, while in September this is projected to decrease to 5.93 knots at 332.6 degrees and with 72.6% constancy.

On these calculations, the source ruled out any possibility of major oil slick hitting the coasts of Bahrain and Qatar.

The oil left in the sea after a certain lapse of time considered too little to have any lasting effect on marine ecological systems.

Birds living on the sea surface, according to the source, would be affected but here again Qatar does not have many sea birds.

But Qatar's seacows and dolphins would be threatened by a major slick. Large spills could go 10 metres deep and spread over an area of five to 10 kilometres. But hydro-carbons in sea water break up fairly fast.

"When people say they are not buying fish, it is purely an emotional reaction, and not based on any facts whatsoever," the source said.

*Weekly Gulf Times* also learnt that of far more serious concern to the authorities now was the danger of a floating mine hitting an oil tanker.

If such an accident occurred it could be a disaster to the region. Hypothetical projections made by specialists indicate that a 2000,000 tonnes-oil tanker hit by a floating mine near the Ras Tanura terminal would produce a slick spread over about 30 square miles, and in eight days could come within four miles of Ras Abu Fontas.

In which case, Qatar might have to cope with 29,000 tonnes of thick heavy oil. But fortunately this eventuality is considered unlikely.

Authorities are said to be concerned also about the possibility of a mine hitting oil rigs or offshore production stations. Qatar General Petroleum Corporation is reported to be taking no chances, and is planning to instal 400 metres of steel net upstream around each production platform as a protective measure.

## BRIEFS

**BANK LENDING INCREASE**--Qatar's commercial banks are lending their customers more money than they are taking in local currency deposits, according to figures released by the Qatar Monetary Agency. A report prepared by the agency, the country's highest monetary authority, shows that Qatar's 13 commercial banks had lent QR6,243,807m upto May 1983 against local currency deposits of QR4,440,988m. Foreign currency deposits were QR3,128,218m. "This is a welcome trend," said Mr Majed al-Majed, director-general of the Qatar Monetary Agency. Qatar's commercial banks have in the past been criticised for starving local business as of credit and investing Qatari funds overseas instead. The figures up to May compare well with those of last year when the 13 banks advanced QR5,056,391m against local currency deposits of QR4,377,236m and foreign currency deposits of QR2,831,587m. The trading sector received QR2.5bn to May this year against [\$2,371,654m last year. The construction and contracting sector received QR822.3m against QR847.1m last year. Personal loans amounted to QR1,581.3m against QR643m last year. [Text] [Doha GULF TIMES in English 9 Aug 83 p 1]

CSO: 4400/506

EUPHRATES DAM TO INCREASE POWER GENERATING CAPACITY

Damascus TISHRIN in Arabic 5 Aug 83 p 3

[Article by Fasih al-Salum]

[Text] With the aim of raising the water storage capacity of Lake al-Asad, two alternatives were advanced, one to make the Euphrates dam walls higher by about 20 meters, and the second to make the body of the dam only 14 cubic meters higher and to build a new storage dam, the "Tishrin Dam."

The Euphrates dam authority has already chosen the second alternative because it is economical and its costs are less when compared to the first alternative.

Eng Shakir Bazu'ah, director general of the Euphrates dam authority spoke to TISHRIN.

"This project, whose implementation would raise the storage level of Lake al-Asad from 300 meters above sea level to 304 meters, aims to increase the storage capacity of Lake al-Asad by 2.7 billion cubic meters and to increase turbine capacity by 100 megawatts at the most.

"This new turbine capacity will form a new addition to the eight electric turbines on the Euphrates dam."

Eng Bazu'ah said on the reason for choosing the second alternative to raise the dam by four meters, "That solution saves great expense for us when the simple modification of the hydroelectric turbine gates and some of the concreting work to accept the waters and the rest of the dam in its totality are done without any need to alter its main body. The building program also goes with the gradual maintenance of the hydroelectric turbines so that we will not suddenly lose one generator. Furthermore it agrees with the timing of the project which is to begin in 1984.

Recently a special contract was signed with the Soviet Union for the technical planning. It will present in October some of the building plans to pour the concrete in the body of the dam. Likewise a contract was signed with the Soviet Union to import from the Soviet Union immersible equipment and parts and machinery needed to raise the dam.

The authority, upon the arrival of technical plans, will depend upon the agreement with the Soviet side to put the program into effect and to provide the equipment in accordance with the general program. This project is counted among the country's most important projects being done, and it is a new advance in the field of increasing land reclamation and in providing needed power.

The General Company for Land Reclamation will undertake this project under the supervision of the Euphrates dam authority. The value of the agreements signed with the Soviets for this project amounts to 1.559 million pounds sterling, equivalent to a million Syrian pounds [sic].

9587  
CSO: 4404/586

OIL COMPANY PRODUCTION BOARD MEETINGS STIMULATE PRODUCTION

Damascus TISHRIN in Arabic 17 Aug 83 p 5

[Interview with Dr 'Ali Jubran, president of the Syrian Petroleum Company, by Samir Sarim: "The Production Board of the Syrian Petroleum Company holds its Sessions at the Work Sites"; place and date not indicated]

[Text] The production board of the Syrian Arab Petroleum Company which met on the first two days of August was distinguished by two matters which made its meeting this time important.

The first matter was that it was held at the work sites, among drilling, production, and exploration activities.

The second matter was the field trips of Dr 'Ali Jubran, director general of the company, trips which accompanied and followed meetings of the board and included all workers and technicians and these trips have had a positive effect on the discussions of the board.

Of course there is a third more enduring characteristic of the production boards in the Syrian Petroleum Company and in other companies. This is that they allow discussion of positive and negative aspects of the production plan to enhance work and to overcome shortcomings.

The production board of the Syrian Petroleum Company had previously discussed a set of issues. The most important was a motion raised in the production board about following the course of executing the company's plans during the second quarter and first half of 1983 in the presence of the company's director general--chairman of the production board--and the board members and company directors, as well as branch production committee chiefs in al-Hasakah, al-Jabsah, at the gas refining directorate, in al-Ladhiqiyah, Halab, al-Dhaqq, Hayari, and al-Qadyu, in addition to the participation of the governor of al-Hasakah and the comrade members of the party leadership in al-Hasakah in these meetings.

The motion and discussions pointed out that production of crude oil had increased in the second quarter by larger quantities than planned. As for the first half, the actual rate was nearly 100 percent. More than 40,000 cubic meters were produced from the new fields which continue to be exploratory and trial producing wells.

Amounts of products sold within Syria have exceeded what was planned in the second quarter and first half of this year.

Concerning [al-ghadar] production during the second quarter came to 1113.4 metric tons as opposed to the 910.5 tons that were projected during the second quarter. Thus actual production exceeded what was planned during the first half of the year by 392 metric tons or an actual rate of 108 percent.

In the second quarter of the current year nearly 8000 meters were drilled with an actual rate of 95.3 percent of the work projected. The reason for the drop in the actual rate is attributed to one of the drilling rigs finishing its work before schedule and in addition there were problems connected with laying the cement and following up the job by the drilling rigs of setting up the walls before they left the well site.

The wells of al-Hasakah attained the best accumulated results for speed of drilling since they had a 5 percent increase in capacity.

Also, surveying was done for a total of 725.3 linear kilometers during the second quarter as opposed to the 715 kilometers that were projected. That is total of 1354.8 kilometers during the first half as opposed to the 1295 kilometers that were projected. The percentage of work done was 104.6 percent of planned work. The rate for seismic survey work was also 104 percent of scheduled work.

As for developmental drilling work, rates reached 127 percent. The reason for the rise in work rates were attributed to the drilling speeds which were higher than planned as a result of improved drilling systems and the use of advanced drill machines.

The al-Hasakah fields office achieved the best quarterly result and best for the first half, with an increase in capacity by 28 percent for the second quarter and 31.6 percent for the first half.

Most of the development projects were finished at Qarah Shuk and at the Tall al-'Awdah station, at Tall 'Adas and elsewhere. Work will be completed on the projects whose supplies have been delivered.

In the area related to project support for the first half of this year it was observed that the actual rates for industrial structures, housing and roads will drop.

Total work completed on the associated gas refining plant came to 97 percent of the total project. It began during the second quarter to run trial tests of equipment and operations.

Likewise the right to undertake a gas transport project was awarded to a company. There is a project to conclude work, to discover, and develop gas fields in al-Jabsah.

The number of workers in the company for June 1983 reached 8,910, of which 698 held university degrees, 885 held middle institute certificates, and 569 had industrial and technical high school diplomas. There were 6325 drivers and ordinary laborers. The remainder have high school diplomas or are typists.

Delegations of engineers and technicians were sent for training to some Arab and foreign countries. Also 24 candidates were picked for training in the Soviet Union in the needed fields, and the Soviet side has already accepted them. There is a proposal to nominate another 6 candidates for the Soviet Union.

Company engineers and technicians have participated in a number of scientific seminars held in Damascus.

After the Syrian Petroleum Company production board finished its work TISHRIN had a meeting with Dr 'Ali Jubran, president of the production board and director general of the company. The text of this interview follows:

[Question] How are the board's actions being implemented in the fields?

[Jibran] I believe that the current production board has achieved a large portion of its goals. Firstly it has met for the first time at the work sites. Also representatives of the involved parties participated in it to a greater extent. There was a review made of drilling, production, exploration, and a number of projects. Various obstacles and shortcomings were defined. Difficulties were acknowledged by management and members representing the trade-unions and party administration. We are not forgetting that coming to know the difficulties may not be valuable unless solutions are found for them.

[Question] Every three months, as is known, the company production board meets. What are the production results of the sessions of this board and the branch production committees?

[Answer] These committees enable plans to be properly followed and building costs administered.

This enables the company to review its situation at every session of the board and gives it better opportunities to change it for the better.

[Question] What are the important production issues that were discussed in the last meeting?

[Answer] A number of important problems were discussed. They are:

- 1) The need to develop the use of bentonite and heavy materials for digging clay in order to depend on local supplies.
- 2) The need to prepare studies to find alternative solutions for the housing problem.
- 3) The need to stop some practices, by establishing complete operating instructions, industrial safety rules, and standardized specifications for materials—this should be done before the end of 1983.

4) This is in addition to surmounting the difficulties and obstacles that obstruct oil production, the development of fields, and the drilling of wells.

[Question] In the last meeting of the board some of the difficulties were discussed, issues that confront the company's management, such as opening worker canteens, opening special lines of credit for some operations equipment. Were these issues solved?

[Answer] Discussions were held on the subject of opening lines of credit for canteen materials and for some operations equipment. Certainly the company is faced with some great difficulties. The company's management is now preparing a report for the minister of petroleum for the solution of issues which, if unsolved, will affect the company's present and future plans.

[Question] The meetings of the board accompanied field trips to the production and work sites, meetings were held with workers from different operational levels, from laborers to managers. What are the outstanding problems pointed out by workers and technicians and what are your measures going to be to solve them?

[Answer] The point of these visits was to review the situation at the work sites amongst the drilling teams, the stations, the offices, and the technicians' shops with the aim of making the operations method smooth both day and night. The greatest utility came from possibilities suggested, and operations techniques for the required work instructions at the work sites, to maintain equipment, any alternative way could not have been in our view feasible.

Of course the problems of housing and providing the necessary equipment and supplies for work remain at the forefront of what were proposed by the workers.

Continuing to operate at elevated performance levels still is the most important thing the administration must address at all levels, along with the workers wherever they are.

We will take up the suggestions for these problems once more with the intention of finding their solution, especially a solution to the chronic housing problem. We hope to conclude some contracts soon to build 300 housing units for the associated gas plant. We also hope to conclude contracts to build 700 houses at al-Rumaylan and al-Jabsah during the second half of 1983.

We are satisfied that our workers, technicians, and engineers perform their duties in the best possible manner. What the company has achieved in this area is only the fruit that its employees have presented it under the careful supervision of the party and the revolution and the concern of the leader President Hafiz al-Assad.

However, we continually strive to exploit every reserve we have and to use every potentiality.

These visits and production board meetings at the work sites will only be one of the means that will make us familiar with our situation. They will be applied to achieve our production and developmental goals.

**SYRIA**

**BRIEFS**

**SYRIAN-EGYPTIAN MEETING**--Arab diplomatic sources have notified AL-DUSTUR that envoys from Syrian President Hafiz al-Asad have conducted meetings with Egyptian officials in Europe to persuade Egypt not to open up to Iraq. These sources indicate that the Syrian president's envoys spoke during the meeting in a tone understood to be threatening. [Text] [London AL-DUSTUR in Arabic No. 300, 22 Aug 83 p 11]

CSO: 4404/628

## UAE SUFFERS RECORD BUDGET DEFICIT

Paris AN-NAHAR ARAB REPORT & MEMO No 34 in English 22 Aug 83 pp 5-6

### [Text]

UAE officials are confident that the country's economy remains stable and strong in spite of the fact that the recently-approved budget for 1983 contained the largest deficit in the federation's 12-year history. They believe that with a combination of cuts in government spending and a forecast upturn in the oil market, the UAE can ride out difficulties caused by a steady decline in oil revenue over the last three years.

The budget approved last week set a spending target of \$5.01 billion against expected revenue of \$3.51 billion. Last year's budget, which projected the UAE's first-ever deficit, was for \$5.99 billion against anticipated income of \$5.45 billion. However, Finance Ministry officials quoted by the OPEC news agency said that slumping world demand for oil had widened the deficit to at least \$953 million.

Abu Dhabi will provide the bulk of government income, with its contribution projected at about \$2.58 billion. Dubai is expected to contribute some \$800 million. The UAE is estimated to earn about \$1 billion annually in investment income and while this is not included in the budget, it could be used to help cover the deficit. There has been no official indication of how the federal government intends to finance this year's \$1.5 billion budget shortfall.

UAE officials are looking for an improvement in the world oil market to ease financial constraints. One was quoted by OPECNA as saying that "the worst of all times has gone for ever," referring to the chaotic situation before OPEC met last March to restore a measure of stability to the market by cutting \$5 from the market price and imposing output quotas on member countries. He pointed out that the oil market was likely to firm during the autumn and winter due to higher seasonal demand in the northern hemisphere.

Meanwhile, government spending in the new budget has been cut by 15.4 per cent compared with 1982 and only \$1.09 million has been earmarked for new projects. The Dubai financial daily *Al-Bayan* reported that the spending total breaks down as follows: federal salaries,

\$1.09 billion; current expenses, \$762.73 million; federal projects, \$435.84 million; defence, \$1.85 billion; and general allocations, covering federal institutions such as the UAE university at Al-Ain, \$599.29 million. The figure for defence spending is the largest single item and accounts for almost 37 per cent of the total. Earlier this year, the UAE was reported to have concluded the purchase of 36 French-made Mirage jet fighters at a cost of just over \$1 billion (*An-Nahar Arab Report & Memo*, May 9).

The UAE will spend more than \$149.82 million on foreign aid, *Al-Bayan* reported Minister of State for Financial Affairs Ahmed al-Tayer as saying. But this would be increased considerably by assistance and grants to Arab and developing countries from the Abu Dhabi Fund for Arab Economic Development (ADFAED) and other institutions and banks, Mr Tayer added.

Central Bank Governor Abdul Malek al-Hamar told the newspaper that despite the drop in oil income, the UAE economy was still "stable and strong." As evidence of this, he pointed to the strength of the local currency, the increase in local liquidity and the rise in foreign currency holdings in UAE banks. He called for a continuation of the government's "open" economic policy in spite of the present oil crisis.

Mr Hamar said that one factor in the strength of the Dirham was the high monetary cover for notes in circulation of 180 per cent, against the 70 per cent laid down by law, and the 50-100 per cent in other countries. The national currency had also been aided, the bank governor said, by the rise in the value of the US dollar, the main pricing unit for oil exports, which account for over 90 per cent of the UAE's income. As a result, Mr Hamar said, "despite the drop in oil revenues and a tightening of public expenditure, the overall amount of local liquidity has recorded modest increases during the past three years." It rose from Dh 42.8 billion in 1982 to Dh 43 billion early this year, compared with a 1981 average of Dh 41 billion.

Mr Hamar noted that the country's banking sector was continually developing, with the financial assets of

commercial banks increasing by Dh 1.25 billion over the first five months of 1983 to reach Dh 23.25 billion.

### Almost \$450 million for investment

The UAE federal budget for 1983 includes a total of Dirhams 1.65 billion (\$447.15 million) set aside for the federal investment programme, compared with last year's allocation of Dh 1.95 billion (\$528.53 million), the official UAE news agency *WAM* reported. A total of Dh 841.377 million was allocated for projects to be carried out by the Ministry of Public Works and Housing, Dh 770.623 million for projects to be executed by various ministries, and Dh .35 million for disbursement of agricultural and fisheries loans. The sum allotted for projects to be implemented by the Ministry of Public Works and Housing was divided among the ministries as follows (in Dh million);  
Communications: 207.357  
Education: 169.424  
Health: 141.2  
Public Works and Housing: 87.994  
Justice: 48.8  
Agriculture and Fisheries: 24.0  
Finance and Industry: 22.0  
Federal National Council: 15.0  
Islamic Affairs and Awqaf: 16.7

Interior: 12.64  
Information and Culture: 7.186  
Labour and Social Affairs: 2.62  
Protocol: 5.2  
State Audit: 0.5  
Planning: 0.35  
Foreign Affairs: 0.2  
Cabinet: 0.2  
Total: 761.371

The total for projects to be implemented by various ministries was divided as follows (in Dh million):

Electricity and Water: 368.962  
Interior: 156.0  
Agriculture and Fisheries: 91.0  
Foreign Affairs: 50.0  
State Security Authority: 40.0  
Education: 25.0  
Information and Culture: 28.661  
Health: 7.5  
Finance and Industry: 1.0  
Petroleum and Mineral Resources: 1.0  
Islamic Affairs and Awqaf: 0.5  
Total: 769.623

It should be noted that the totals arrived at by adding the individual allocations do not correspond with the overall figures quoted by *WAM*.

CSO: 4400/507

UNITED ARAB EMIRATES

PROBLEMS FACING INDUSTRY VIEWED

Riyadh AL-RIYAD in Arabic 11 Aug 83 p 15

[Article: "Report on Industry in the UAE: Industry Faces a Number of Problems,..Chief Among Them Foreign Competition"]

[Text] The Establishment of a Domestic Marketing Corporation, an Industrial Fund and a Bureau of Standards - These Are Some of the Solutions Proposed for the Support of National Industry.

The industrial sector in the UAE has made great progress during the past few years, with the completion of a number of factories which produce materials used in building and construction, agriculture, and industry.

Industries in the United Arab Emirates include chemical fertilizers, petrochemicals, plastics, cement, steel, rock wool, and others.

The government of the Emirates has devoted much attention to the industrial sector in order to assist the necessary production projects in the areas of agriculture and development. It established the Industrial Bank in order to provide financial and technical support to national industries to enable them to face foreign competition in domestic markets.

Even though these factories have begun producing, they have faced a number of problems which have made it necessary for officials in the nation's Federation of Chambers of Commerce and Industry to begin examining these problems and to find the necessary solutions for them in order to further national industrial production.

The Federation of Chambers of Commerce formed a committee on the industrial sector that conducted investigations and studies on the economic benefits of this sector and the problems from which it is suffering. The committee completed its work recently by producing a memorandum that will be submitted to Shaykh Hamdan ibn Rashid, Minister of Finance and Industry. The memorandum contains a number of proposals and solutions which will help national industries to grow and compete with foreign products.

Among the committee's proposals is the granting of at least a 10 percent competitive preference to a national industry over foreign products in the bidding for government contracts, as well as the inclusion of clauses in contracts and agreements signed with companies who carry out government projects that will require them to use the products of national industry.

Likewise, this memorandum includes a study of the possibility of paying out a certain percentage of the loans and material grants that the nation or its development funds give to the developing countries in the form of products manufactured in the national factories, in addition to the creation of a specialized technical mechanism to help the industrial sector prepare studies of the economic program and evaluate industrial projects.

The official in charge of domestic industry in the United Arab Emirates says that among the most important difficulties from which national industry is suffering are foreign competition, the rising costs of domestic and imported raw materials, the difficulty of obtaining them from abroad, and duplicated production, which leads to heavy competition among industries while they are marketing their products.

Officials in the Ceramics Plant in al-Fujayrah, for example, believe that most of the foreign companies make specific stipulations that require their employees to buy goods from foreign countries, in accordance with the company's nationality; even the national companies which are managed by foreigners seek to import their requirements from foreign countries, while national factories within the country are able to meet the needs of these companies amply and adequately. This, in turn, leads to the stagnation of domestic industries, despite the fact that their products are better.

Mr Walid Shufari, manager of the Ceramics Plant in al-Fujayrah, cites the rock wool factory as an example. It produces a world-class product, but the foreign companies import this product from abroad, despite the fact that the cost of transporting rock wool from Europe and America is twice that of the domestic product available in the Emirates.

Mr Sayf Sultan Sa'id, head of the al-Fujayrah Chamber of Commerce and Industry, offers a number of solutions for dealing with the problems from which national industries in the Emirates are suffering. Among the most important of them is the establishment of a Bureau of Standards to help emphasize the high quality of some of the national industries, and to institute tariff protection by means of the imposition of duties on imported merchandise. Mr Sultan also suggests that the government support exports by national industries, establish a center for collecting information pertaining to the relevant procedures and laws in countries of the region, create other processing methods for national enterprises, and encourage the Emirates Bank of Industry to provide loans to national factories.

There has been talk recently of establishing a domestic marketing corporation for marketing national industrial products as a solution to the problems that national industry faces here.

Industrialists in the Emirates believe that the idea of establishing this institution will benefit national industry in many ways. Among the most important of these would be the regulation of procedures for exporting national products to other countries, and especially to countries in the area. This would put an end to the game some companies have been playing, of exporting foreign products from the Emirates to countries in the Gulf Regional Cooperation Council, thereby obtaining customs reductions by falsely portraying them as domestic products from the Emirates. This has been especially common since the implementation of the existing economic agreement, which allows the exportation and importation of national products among countries within the Gulf Cooperation Council.

9310  
CSO: 4404/577

REPORTAGE ON VISIT OF THAI PRIME MINISTER TO DHAKA

Prem's 8 Aug Banquet Speech

Dhaka THE BANGLADESH OBSERVER in English 9 Aug 83 pp 1, 12

Text The Chief Martial Law Administrator Lt. Gen. H M Ershad said in Dhaka on Monday that friendship between neighbouring countries--Bangladesh and Thailand--which is rooted in traditional bonds of history, culture and geography provides for a stable basis for deepening the ties because of "our common approach to problems" reports BSS.

Over the years these ties have been reinforced by similarity of experiences shared outlook and common aspirations and commitments he added.

The CMLA was speaking at a banquet hosted by him in honour of the visiting Thai Prime Minister Gen. Tinsulanonda at Bangabhaban in Dhaka on Monday night.

Gen. Ershad said as developing countries, Bangladesh and Tailand are faced with the urgent task of economic and social development. We hold similar views on major regional and international problems and issues, he said adding: we are closely cooperating with each other in various international forums for the realisation of "our shared ideals and objectives".

The CMLA said both the countries have been playing a positive role to promote durable peace in South Asian and the South-East Asian regions in particular and the world at large.

Gen. Ershad pointed out that Bangladesh enjoyed close relations with all her neighbours and has been making unremitting efforts to create an atmosphere of goodwill, trust and mutual understanding in the neighbourhood". Our endeavours for a structured multisectoral South Asian regional cooperation has produced most gratifying result so far" he added.

He said the formal launching of the integrated programme of action for South Asian regional cooperation with complete unanimity has ushered in a new historic era of cooperation in the region.

The CMLA referred to the continuing crisis in the international situation and said it is unmistakably clear that the existing global economic structure is

unable to meet the requirements of the developed and the developing countries. While we should continue to seek constructive cooperation of the developed countries in finding solution to the problems, we must at the same time take a new initiative to develop South-South cooperation, he added.

Gen. Ershad said as Chairman of the Group of 77 Bangladesh is also committed to continue its efforts for the launching of the long awaited global round of negotiations and establishment of a new international economic order based on the principles of equity and justice.

He reiterated Bangladesh's support for declaring the Indian Ocean as zone of peace and said that it also supports the proposal and efforts to establish a zone of peace, freedom and neutrality in South East Asia.

The CMLA said as a non-aligned country Bangladesh is firmly committed to the principles of sovereign equality of all nations, respect for territorial integrity, non-interference on others' internal affairs, non use of force and settlement of disputes through peaceful means.

He expressed concern over the deteriorating international situation endangering peace and security in South Asian and South East Asian Region in particular and the world at large. In this context, he reiterated Bangladesh's call for a political solution based on an immediate and unconditional withdrawal of foreign troops from Kampuchea and Afghanistan and allowing their people to decide their own destiny free from any external interference or intervention.

Gen. Ershad referred to the situation in West Asia which remains explosive because of Israel's continued occupation of Arab land and repeated acts of aggression. "We reiterate our firm belief that a lasting peace in the area can be achieved only on the basis of Israel's complete and unconditional withdrawal from all occupied Arab territories including the holy city of Jerusalem and realisation of the legitimate and inalienable rights of the Palestinians including their rights to have an independent state of their own," he added.

He expressed his concern at the fratricidal war between Iran and Iraq and called for an amicable, just and honourable solution of the conflict without delay. He also condemned the apartheid policy of South Africa and re-affirmed Bangladesh's support for freedom and justice of the people of South Africa and Namibia.

The CMLA said "In Bangladesh we have undertaken the massive tasks of building the nation. Our commitment to this challenging task is total and our objective to derive the maximum economic and social benefits for the people is unequivocal."

Giving a brief account of the measures undertaken by the present Government for the welfare of the people he said with the objective of ensuring early transition to democracy it has decided to hold elections at local levels this winter and at the national level by March 1985 on the basis of adult franchise.

Text of Ershad Speech

Dhaka THE BANGLADESH TIMES in English 10 Aug 83 p 7

[Text] Following is the text of banquet speech of Chief Martial Law Administrator Lt. Gen. H. M. Ershad given at the banquet hosted by him in honour of visiting Thai Prime Minister Mr. Prem Tinsulanonda.

Your Excellency General Prem Tinsulanonda, Excellencies and Distinguished Guests,

We are indeed happy and honoured to have Your Excellency and the distinguished members of your delegation with us in Bangladesh. On behalf of the Government and the people of Bangladesh as well as on my own behalf, I have immense pleasure in extending to you a very warm welcome and to wish you a pleasant and fruitful stay in our country.

Excellency,

The friendship between our two neighbouring countries are based on our traditional bonds of history, culture and geography. The peoples of Bangladesh and Thailand have behind them a long tradition of friendly contacts and fruitful exchanges. Over the years these ties have been reinforced by the similarity of our experiences, a shared outlook and common aspirations and commitments.

The people of Bangladesh fondly recall the august visit of Their Majesties King Bhumibol Adulyadej and Queen Sirikit to Dhaka in the early sixties. The visit provided our people with an opportunity to demonstrate their high esteem for Their Majesties and the fund of goodwill that exist in Bangladesh for the friendly people of Thailand. We also recall our late President's visit to Thailand in 1979 which significantly contributed to the development of relations between Bangladesh and Thailand.

Excellency,

As friends and neighbours, we have been watching with deep interest and admiration the laudable efforts made and tremendous progress achieved by your great country in all fields. It is my sincere belief that the industrious and dedicated people of Thailand will, under the wise and inspiring guidance of His Majesty King Bhumibol Adulyadej and the able and dynamic leadership of Your Excellency succeed in attaining even greater progress and prosperity in the years ahead. We also deeply appreciate Thailand's positive, constructive and unremitting efforts both individually and within the framework of the ASEAN, for achieving peace, security and progress in the region as also in the world.

Mr. Prime Minister

We, in Bangladesh have undertaken the massive task of nationbuilding. Our commitment to this challenging task is total; and our objective to derive the maximum economic and social benefits for the people is unequivocal. The present Government of Bangladesh since assumption of office in March, 1982 has

taken a number of steps in this direction. We have embarked on a programme of decentralisation with a view to taking the administration to rural Bangladesh consisting of 68,000 villages where 90 per cent of our people live. We have also decentralised the High Court of Judicature to make the administration and dispensation of justice speedy and effective. Side by side, we are making sustained efforts for the attainment of our cherished goal of economic self-reliance and raising the quality of life of our people. With the objective of ensuring an early transition to real democracy we have decided to hold elections on the basis of universal adult franchise at local levels this winter and at the national level by March 1985.

Excellency,

As a Non-aligned country Bangladesh is firmly committed to the principles of sovereign equality of all nations, respect for territorial integrity non-interference in internal affairs of other states, non-use of force and settlement of disputes through peaceful means. We are committed to the cause of peace, stability and progress all over the world. It is our firm conviction that only through persistent endeavours we can create a more peaceful, secure and equitable world order.

As we cherish and strive for peace, we cannot but express our concern and dismay over the deteriorating international situation endangering peace and security in the South Asian and South-East Asian regions in particular and the world at large. We are firmly opposed to the presence of foreign troops in Kampuchea and Afghanistan as a violation of the principles of non-interference and nonintervention in the internal affairs of other states. We reiterate our call for a political solution based on an immediate and unconditional withdrawal of foreign troops and allowing the peoples of Kampuchea and Afghanistan to decide their own destiny free from any external interference or intervention.

We appreciate the constructive role played by Thailand and other ASEAN countries in seeking a solution of the Kampuchean problem. Bangladesh not only welcomed the establishment of the Coalition Government of Democratic Kampuchea but has also established diplomatic ties with and accredited Ambassador to this Government. We welcome Thailand's proposal for withdrawal of foreign troops thirty kilometres from the Thai-Kampuchean territory which has been fully endorsed by the ASEAN at their Sixteenth Ministerial Meeting held in Bangkok in last June. It is our sincere hope that an early implementation of this constructive proposal will be conducive to the restoration of peace and tranquillity in the region and also contribute to the resolution of the Kampuchean problem.

Excellency,

The situation in West Asia remains explosive because of Israel's continued occupation of Arab land and repeated acts of aggression. We reiterate our firm belief that a lasting peace in the area can be achieved only on the basis of Israel's complete and unconditional withdrawal from all occupied Arab territories including the Holy City of Jerusalem realisation of the legitimate

and inalienable rights of the Palestinian people including their right to have an independent state of their own in their homeland under the leadership of the Palestine Liberation Organisation their sole and legitimate representative, and the restoration of Al-Quds Al-Sharif to Islamic and Arab sovereignty. We support the efforts of the Lebanese people to safeguard their independence and territorial integrity under their legally constituted Government.

We cannot be also express our anguish and concern at the fratricidal war between Iran and Iraq. The tragic conflict has not only been causing great harm to themselves but also poses a threat to peace and security in the region. We are convinced that both the countries seek peace and we earnestly appeal to Iran and Iraq for an immediate cessation of hostilities. We also reaffirm our pledge to support all efforts to bring about an amicable, just and honourable solution of this conflict without delay.

In line with our principled stand of opposing imperialism, colonialism neo-colonialism, racism and domination in any form or manifestation, we have consistently condemned the apartheid policy of South Africa and her aggression against the neighbouring countries. We reaffirm our support to the people of South Africa and Namibia in their heroic struggle for freedom and justice.

Mr. Prime Minister,

In keeping with our policy of promoting the process of detente relaxation of tension and limitation of armaments, Bangladesh firmly supports the UN Resolution on the Declaration of the Indian Ocean as a Zone of Peace. It is our earnest hope that all countries will soon agree to the holding of the proposed International Conference on Indian Ocean in the near future. We also fully support the ASEAN proposal and efforts to establish a Zone of Peace, Freedom and Neutrality in South-East Asia.

Bangladesh enjoys close and cordial relations with all her neighbours and has been making unremitting efforts to create an atmosphere of goodwill trust and mutual understanding in her own neighbourhood. Our endeavours for a structured multisectoral South Asian Regional Cooperation have produced most gratifying results so far. The successful conclusion of the First Foreign Minister level Meeting of the Seven South Asian Countries held in New Delhi last week has adequately demonstrated our determination and combined efforts to strengthen the foundation of a self-sustaining mutually beneficial cooperation in South Asia. The formal launching of the Integrated Programme of Action for South Asian Regional Cooperation with complete unanimity has ushered in a new historic era of cooperation in the region.

Excellency,

The continuing crisis in the international economic situation is causing us much concern. It is unmistakably clear that the existing global economic structure is unable to meet the requirements of either the developing or the developed nations. The development efforts of the Third World countries have been seriously impeded by an unfavourable international economic environment. While we should continue to seek constructive cooperation of the developed

countries in finding solutions to the global problems, we must at the same time take new initiatives to develop South-South Cooperation.

Bangladesh, on her part, has always made unremitting efforts to promote co-operation among the Third World countries. At the recently held UNCTAD-VI in Belgrade, Bangladesh, as Chairman of the Group of 77, advocated the need for intensifying such cooperation. We are also committed to continue our efforts for the launching of the long awaited Global Round of Negotiations and the establishment of a New International Economic Order based on the principles of equity and justice.

Mr. Prime Minister,

As developing countries, Bangladesh and Thailand are faced with the urgent task of economic and social development. We hold similar views on major regional and international problems and issues. Our two countries are firmly committed to the principles and objectives enshrined in the UN Charter. We are closely cooperating with each other in various international forums for the realisation of our shared ideals and objectives. Both Bangladesh and Thailand have been playing a positive and constructive role to promote durable peace in the South Asian and the South-East Asian regions in particular and the world at large. Our common approach to problems provides a stable basis for the development of friendship and cooperation among our two countries.

I am indeed gratified that the relations between Bangladesh and Thailand have grown in strength and substance in recent years. I am confident that the existing bonds of friendship and cooperation between our two countries will continue to expand in the years ahead to the mutual benefit of our two peoples. Your Excellency's current visit to Bangladesh will no doubt contribute significantly to this process.

Excellencies and Distinguished guests,

May I now request you to joint me in a toast:

--to the health, happiness and long life of His Majesty King Bhumibol Adulyadej,

--to the health happiness and long life of His Excellency Prime Minister General Prem Tinsulanonda,

--to the continued progress and prosperity of the friendly people of Thailand, and

--to the everlasting friendship and cooperation between Bangladesh and Thailand.

Report on Ershad, Prem Talks

Dhaka THE BANGLADESH OBSERVER in English 10 Aug 83 pp 1, 12

[Text] Thai Prime Minister General Prem Tinsulanonda and Chief Martial Law Administrator Lt. Gen. H. M. Ershad held formal talks at Bangabhaban on Tuesday morning where they discussed ways and means to further consolidate the existing bond of friendship between the two countries. On regional and global situation the two leaders exchanged views and held identical opinion on most of the major issues.

Briefing newsmen after the talks a spokesman of the Ministry of Foreign Affairs said that the situation in Kampuchea and Afghanistan, developments in Lebanon, Middle East and the fratricidal war between Iran and Iraq came up in the discussion between the two leaders. The talks that lasted for an hour was marked by cordiality, friendship, and understanding. The two heads of Government viewed that the Indian Ocean should be declared a zone of peace.

On bilateral relations the Thai Prime Minister General Prem and General Ershad stressed the need for exchange of high-level visits and contacts at different levels for further consolidating the friendship between the two countries for mutual benefit. They noted with satisfaction the growing friendly relations between the two countries.

General Prem has extended invitation to General Ershad to visit Thailand. The CMLA has accepted the invitation with pleasure, the Foreign Ministry spokesman informed. The two leaders agreed to improve relations in the fields of trade, shipping, agriculture and industry through increased contacts.

In the talks the Thai Prime Minister gave a brief resume of the steps taken by his Government for economic development of his country and for further cooperation among the ASEAN countries. General Prem lauded Bangladesh's initiative for forging the South Asian Regional Cooperation (SARC).

The CMLA General Ershad explained to the Thai Prime Minister measures taken by his Government to meet the challenging task of nation-building. He referred to the steps taken for administrative reorganisation and decentralisation of administration that aims at taking the Government to the doorsteps of people. The CMLA also referred to the election schedule for local bodies and Parliament that has already been announced by him with an aim to early transition of real and peoples democracy. The CMLA informed General Prem that his Government was making allout efforts for rapid industrialisation and self-sufficiency in agricultural sector. He informed the Thai Prime Minister about the new policy of his Government that will give lot of incentives to private sector and foreign investment. He hoped that the foreign entrepreneurs would try to avail the advantage of the new policy.

The CMLA apprised the Thai Prime Minister about the fundamental priority of Bangladesh's foreign policy to establish close relations with neighbours. This has already been reflected by Bangladesh's initiative on SARC.

BSS adds: The CMLA was assisted in the talks, among others, by Foreign Minister A.R. Shams-ud Doha, Industries and Commerce Minister Shafiul Azam Agriculture Minister A.Z.M. Obaidullah Khan, Education Minister Dr. A. Majeed Khan, PSO to CMLA Mal. Gen. Atiqur Rabman, Foreign Secretary Ataul Karim, Secretary, Port. Shipping and IWTA A.K.M Kamaluddin Chowdhui, Additional Secretary in charge of Information Ministry Mr. Mustafizur Rahman, Additional Secretary in charge Industries Division Manjur Murshed, Bangladesh Ambassador to Thailand M. Mohsin, Chief of Protocol Brg. A.M.A. Momen, Director-General of Foreign Ministry Anwar Hashini, Director General, Foreign Ministry Mahbubul Alam and Joint Secretary Commerce Division Waliej Islam.

On the Thai side, Premier Prem was aided by his foreign Minister Air Chief Marshal Siddhi Savestila, Agriculture and Cooperatives Minister Na-Rong Wongwan, Commerce Minister Kosol Krairiksh, Education Minister Chuan Leekpai, Minister attached to Prime Minister Office Flying Officer Suii Mahasantana. Thai Ambassador to Bangladesh Thawee Manaschuang, Secretary, General to the Prime Minister Lt. Gen. Chantrakput Sirisuth, Communication Secretary M.L. Joengian Kambhu, Secretary General of the Board of Investment Chanchai Leetavoran, Secretary-General of National Economic and Social Development Board Snohn Unakul, Director-General in Prime Minister's Office Apilas Osatananda, Director-General, Political Affairs Sudhee Prasavinitchai, Director-General, Economic Affairs Manaspas Xuto, Director-General, Information Department Jeth Sucharitkul and Director General of Protocol, Nikron Praisaengpetch.

#### Thai Trade Delegation in Chittagong

Dhaka THE BANGLADESH OBSERVER in English 10 Aug 83 p 1

[Text] CHITTAGONG Aug 9:--The leader of Thai trade delegation Dr. Somphob Sussangkarn today said that the bond of trade relations between the two countries is firmly based on mutual respect and understanding.

Addressing the member of Chittagong Chamber of Commerce and Industry at Chamber's conference room this afternoon Dr. Sussangkarn called for close cooperation in economic activities of two countries for accelerating the pace of development.

Dr. Somphob Sussangkarn said that the visit of this trade delegation is aimed at exploring the possibility of better trade ties between the two countries.

The delegation leader sought specific suggestions and proposals from the member of Chittagong Chamber to facilitate the setting up of industries under joint venture. He also called for identification of possible fields of cooperation between the two countries.

Mr. Serajuddin Ahmed President of Chittagong Chamber of Commerce and Industry in his welcome address hoped that the visit of this delegation would strengthen trade and economic cooperation between Bangladesh and Thailand.

The Chamber President emphasized the need for narrowing the present trade imbalance between the two countries. He hoped that the visit of this

delegation would make possible for Thailand to identify the importable items from Bangladesh.

Among others Messrs A K. Khan Sved Ahmedul Huq, and M.A. Ispahani spoke on the occasion and mooted, on different points.

Earlier the 17-member Thai trade delegation who accompanied the visiting Thai Premier visited the site of Chittagong export processing zone.

The Chittagong Chamber of Commerce and Industry also hosted a lunch in a local hotel in honour of the Thai trade delegation.

#### Thai Visitor's Press Conference

Dhaka THE NEW NATION in English 11 Aug 83 pp 1, 8

Thai Prime Minister General Prem Tinsulanonda yesterday said his country supported United Nations resolutions calling for an end to illegal occupation of Afghanistan and Kampuchea by foreign troops.

Addressing a press conference at the end of his three-day official visit to Bangladesh General Prem said, his Government fully supports relevant United Nations resolutions on Afghanistan and any constructive measure that could lead towards a comprehensive political settlement of the problem based on the principles contained therein.

He said, his country wanted an end to illegal occupation of any country by foreign troops. He said Bangladesh now supports Thailand's proposal for the withdrawal of foreign troops 30 kilometers from Thai-Kampuchea border. This proposal has been endorsed by the United States, Canada, Australia, New Zealand, the ASEAN countries and the EEC countries.

ENA adds: Thai Prime Minister General Prem Tinsulanonda yesterday noted with satisfaction that Bangladesh will continue its "co-sponsorship and vote for the credentials" of the coalition government of Democratic Kampuchea.

He was addressing a press conference at the State Guest House on the eve of his departure for Bangkok on conclusion of his three-day visit to Bangladesh.

He said Government of Bangladesh has pledged to continue its full support for the relevant resolutions on Kampuchea under the same principles as those pertaining to Afghan problem.

General Prem Tinsulanonda said Afghan and Kampuchean problems have predominated his talks with Chief Martial Law Administrator Lt General H M Ershad.

Explaining his country's position on these two regional problems, General Tinsulanonda restated that his country opposes any illegal occupation of a country by foreign troops. "My Government fully supports the relevant resolution on Afghanistan as a constructive measure which could lead towards a comprehensive political settlement of the problem based on the principles contained in the UN Resolution", he added.

In reply to a question concerning the Thai proposal for withdrawal of troops 30 kilometers inside from the Thai-Kampuchean border, the Thai Prime Minister "said ASEAN, EEC, Canada and Australia, New Zealand and a number of other countries have extended "positive support to it".

He told a questioner that he does not visualise immediate solution of the Kampuchean crisis. He however hastened to add UN Resolution on Kampuchea provides the only basis for its future settlement. "We do not perceive any change of position overnight", he added.

Referring to increasing tension and sharp escalation of super-power confrontation within and outside the south and South East Asian regions and the world at large, General Prem said Thailand fully supports the principle of Indian Ocean as a zone of peace which is in line with that of ASEAN's zone of peace, freedom and neutrality.

In this connection he said his government supports the early convening of the conference on the Indian Ocean as a first step towards the implementation of this declaration.

Referring to the possibilities of expanding the scope and diversifying the areas of cooperation, the Thai Prime Minister said there is a wide scope for joint industrial ventures, exchanges of visits

by officials, private entrepreneurs, defence staff and technical experts of both the countries.

He said his country's policy is to maintain close technical and economic cooperation among developing countries. He said he had informed the Government of Bangladesh of his government's happiness to step up technical cooperation through fellowships and in other fields.

He said between 1977 and 1982, there were 593 scholarships for Bangladeshis for training in Thailand.

General Tinsulanonda said that he and General Ershad had agreed that the joint commission on cooperation between Bangladesh and Thailand should hold its first meeting at ministerial level as soon as possible.

The commission, he said, will review the progress of cooperation in all fields including participation of Thailand and Bangladesh in regional and international fields.

He told a questioner that Thai economy is based on free enterprise and hence he would have to explore the possibility of cooperation with Bangladesh in public sector.

The Thai Prime Minister, however, pointed out that the joint venture in private sector between Bangladesh and Thailand can be explored. "The private sectors of the two countries should explore the possibilities of further cooperation in joint venture projects", he added.

In reply to a question relating to South Asian regional cooperation recently launched at a meeting of the Foreign Ministers of seven South Asian countries held in New Delhi, General Tinsulanonda said his government always support the idea of regional cooperation. "It is good that the South Asian countries launched integrated

programme of action" for the betterment of their people.

He further stated that Thailand would be happy to cooperate with South Asian regional forum for development and progress of the region.

The Thai Prime Minister refrained from replying a question on the situation in Sri Lanka saying that it is an internal matter of that country. He however commented that the situation in Sri Lanka has improved a lot.

BSS adds: General Tinsulanonda yesterday described his three-day visit to Bangladesh as "memorable" and "very satisfying" and hoped that it would further augment the existing bilateral relations between the two countries.

One of the main purposes of his visit, the Prime Minister said, was to explore the ways and means of further fields of cooperation as well as to strengthen the existing ones.

Referring to high officials and prominent Thai private sector figures who accompanied him during the visit, the Prime Minister expressed his confidence that their meeting with Bangladeshi counterparts would certainly contribute towards expansion of contacts and cooperation in various fields. Such contacts, he stressed would eventually benefit both Bangladesh and Thailand.

General Prem said that his talks with the CMLA had focussed on the possibilities of enlarging the scope and diversifying the areas of cooperation and relations between the two countries. The need for so doing was clearly manifest during the talks in Dhaka, he added.

He wished the SARC well and said that Thailand and other ASEAN countries would be ready to cooperate with the new regional cooperation forum in South Asia.

FURTHER REPORTAGE ON ERSHAD VISIT TO MALDIVES

Press Conference on Departure

Dhaka THE BANGLADESH OBSERVER in English 30 Jul 83 p 1

[Text] Male, July 29--The Chief Martial Law Administrator Lt Gen H.M. Ershad said here today Bangladesh has been maintaining good neighbourly relations with her neighbours reports BSS.

Addressing a Press conference in the morning, the CMLA said our relations with Nepal, Burma, Bhutan, Sri Lanka, Maldives, Pakistan and India are good and cordial. However, we have some neighbourly problems of sharing of assets and repatriation of refugees with Pakistan and sharing of Ganges water with India. But all these problems are not unsurmountable to solve, he added.

Replying to a question, Gen Ershad expressed the hope that there would be solution to the Ganges problem through negotiations. On South Talpatty he said this is a disputed island, "And we are exchanging data to determine to whom the island belongs."

To another question the CMLA said the South Asian regional cooperation are gradually taking shape and both Bangladesh and Maldives along with other neighbours are working in close cooperation to launch the forum.

Gen Ershad reiterated that the Indian Ocean should be made a zone of peace and said we want an end to super power rivalry in the region.

Replying to another question the CMLA made it categorically clear that there was no illegal immigrants from Bangladesh to Assam. He said the Assam situation some time pained me but it was internal affairs of India.

As regards Bangladesh candidature for the post of OIC, Secretary-General Gen Ershad said if the member countries decide to extend the tenure of the office of Mr Habib Chatty then the seat will not be vacant and the question of election does not arise.

On Iran-Iraq war, Gen Ershad said Bangladesh as member of OIC Peace Committee was trying to resolve the conflict between two Islamic states and will continue to do so.

Answering another question on bilateral relations between Bangladesh and Maldives the CMLA said official level joint committee will meet shortly to identify areas of mutual and beneficial cooperation between the two countries. Meanwhile he said both the countries have agreed to open office of Consul General in each other's capitals. Bangladesh has decided in the meantime to appoint an Honorary Consul General in Male soon. Besides we are planning to establish air link between Dhaka and Male with one flight a week, he added.

The CMLA said Bangladesh has also offered seats for Maldivian students in its universities and the military academy. He also visualised increased trade between the two countries.

When asked to elaborate his plan to return to civilian rule, Gen Ershad said his government is going to hold election to the local bodies next winter and the general elections will be held early 1985.

Asked whether he plans to join politics, the CMLA said he is committed not to enter politics in uniform, however, he said, if after retirement people want me to do politics, I may decide to do so.

Gen Ershad expressed his satisfaction over his visit to Maldives and said that he and President Gayoom had discussed formally and informally wide ranging subjects of international regional and bilateral interests. Both the countries have identical views on almost all issues. This is natural because of our shared history, culture and perceptions.

Paying tributes to the leadership of President Gayoom, he described him as the "architect of modern Maldives."

He commended the efficient and dedicated endeavour of the people of Maldives for developing their economic and social life and thanked the Maldivians for the warm hospitality shown to him and members of his entourage during his visit.

#### Joint Communique Text

Dhaka THE BANGLADESH OBSERVER in English 31 Jul 83 pp 1, 8

[Text] Bangladesh and Maldives have expressed the hope that structured regional cooperation in South Asia will lead to the strengthening of relations amongst the countries and contribute to the betterment of the quality of life of the peoples of the region, reports BSS.

In a joint communique issued yesterday at the end of a four-day official and goodwill visit of the Chief Martial Law Administrator, Lt Gen H.M. Ershad to Maldives, the two sides felt that the preparatory stage has adequately advanced so as to permit the launching of the integrated programme of action and shared the expectation that the ensuing meeting of the Foreign Ministers in New Delhi will successfully initiate its implementation.

On bilateral relations, the communique said the Maldives President observed that the visit of the CMLA was an important event in the future development of the existing friendly and brotherly relations between the two countries. The two leaders reviewed the whole range of bilateral relations and expressed satisfaction at the steady development of these relations.

The two sides agreed that the joint committee set up during the visit of Bangladesh Foreign Minister to Male in May this year should identify further areas of mutually beneficial cooperation between the two countries and suggest measures for appropriate action.

#### Full Text

Following is the full text of the Joint Communique issued at the conclusion of the official visit to Maldives of Chief Martial Law Administrator, Lt General Hussain Muhammad Ershad, according to a PID handout released on Saturday.

At the invitation of His Excellency Mr Maumoon Abdul Gayoom, President of the Republic of Maldives, His Excellency Lt General Hussain Muhammad Ershad, ndc, psc Chief Martial Law Administrator of Bangladesh, paid an official visit to the Republic of Maldives from 26th-29th July 1983. The Chief Martial Law Administrator of the People's republic of Bangladesh was accompanied by His Excellency Mr A.R. Shams-ud Doha, Minister of Foreign Affairs and other senior officials.

On their arrival, the Chief Martial Law Administrator and his delegation were given a very warm and cordial welcome by the Government and people of the Maldives which was symbolic of the strong bonds of friendship and cooperation between the two brotherly Muslim countries.

A Civic Reception was held by the Male Municipal Council in honour of His Excellency Lt General Hussain Muhammad Ershad, ndc, psc, Chief Martial Law Administrator of the People's Republic of Bangladesh.

His Excellency Mr Maumoon Abdul Gayoom and His Excellency Lt General Hussain Muhammad Ershad, ndc, psc held detailed discussions on wide-ranging subjects covering bilateral, regional and international matters of mutual interest. At these talks, His Excellency the president of the Republic of Maldives was assisted by the Honourable Fathulla Jameel, Minister of Foreign Affairs, the Honorable Abdulla Hameed, Minister of Atolls Administration, the Honourable Ilyas Ibrahim, Minister of Trade and Industries, the Honourable Ahmed Mujuthaba, Minister of Transport and Shipping, the Honorable Abdulla Jameel, Minister of State for Presidential Affairs, Mr Abbas Ibrahim, Executive Secretary to the President, Mr Abdul Rasheed Hussain, Deputy Minister of Planning and Development and other senior officials. His Excellency the Chief Martial Law Administrator, the Chief Martial Law Administrator of the People's Republic of Bangladesh was assisted by His Excellency Mr A.R. Shams-ud Doha, Minister of Foreign Affairs, His Excellency Mr AHFK Sadique, High Commissioner of Bangladesh to the Republic of Maldives, Brig Habibur Rahman, Chairman Export Processing Zone Ambassador, CM Shafi Sami, Director General, Ministry of Foreign Affairs, Ambassador Mahbubul Alam, Director General Ministry of Foreign Affairs and other senior officials.

The discussions were held in an atmosphere of cordiality and complete understanding.

In the field of bilateral relations the President of the Maldives observed that the visit of the Chief Martial Law Administrator of Bangladesh was an important event in the further development of the existing friendly and brotherly relations between the two countries. They reviewed the whole range of bilateral relations between Bangladesh and the Maldives and expressed satisfaction at the steady development of these relations.

The two leaders observed that the agreement on waiver of visas and the accord on cooperation in the fields of education, culture and sports, signed recently between the two countries would greatly help to further strengthen their bilateral relations. In this context they agreed to examine the possibility of establishing air links between the two capitals.

The two leaders agreed that the Joint Committee set up during the visit of the Bangladesh Foreign Minister in May 1983 should identify further areas of mutually beneficial cooperation between the two countries and suggest measures for appropriate action.

The two leaders re-affirmed their commitment to the principles of the United Nations Charter, objectives of the Organization of the Islamic Conference, the Non-aligned Movement and the Commonwealth. The two leaders reiterated their conviction that relations among nations should be based on mutual respect for their independence, sovereignty and territorial integrity.

Condemning the continuing Israeli aggression against the Arab and the Palestinian people and her flagrant violation of the resolutions of the United Nations and other world bodies, the two leaders reiterated the view that a just and lasting peace in the Middle East can be achieved on the basis of total and unconditional withdrawal of Israeli troops from all Palestine and Arab territories including Jerusalem, realisation of the legitimate and inalienable national rights of the Palestinian people, including their right to establish an independent Palestinian state in their homeland under the leadership of the PLO, the sole and legitimate representative of the Palestinian people. They further expressed concern over the situation prevailing in Lebanon and agreed that the Lebanese people should enjoy full and unfettered sovereignty.

The two leaders condemned the policies of apartheid and all forms of racism and racial discrimination. They also deplored the South African occupation of Namibia and reiterated the support to the people of Namibia in their just struggle for independence.

The two leaders expressed serious concern over the foreign intervention in Afghanistan and Kampuchea. They reaffirmed their principled stand for a political settlement of the problems of those two nations on the basis of immediate and unconditional withdrawal of foreign troops, full respect of their sovereignty, independence and territorial integrity, and in accordance with the principles of non-intervention in the internal affairs of other states and settlement of disputes by peaceful means.

The two leaders expressed their profound sorrow and great concern over the continuing war between Iran and Iraq and appealed to them for an immediate cessation of the hostilities and an end to the tragic war and reaffirmed their support for the efforts in this direction.

The two leaders expressed concern at the growing super power rivalry in the Indian Ocean and reiterated that peace in the area could not be ensured unless it was free of such rivalry, which creates tension, threatens security of smaller countries and retards their development efforts. The two leaders expressed concern at the delay in the holding of the proposed U.N. Conference on the Indian Ocean in Colombo and called for the speedy implementation of the United Nations resolution declaring the Indian Ocean a Zone of Peace.

The two leaders expressed the view that the use of mercenaries was endangering the national security and non-aligned status and peaceful development of small nations. The two leaders expressed their hope that the international community will adopt early measures to ban recruitment, financing, training and deployment of mercenaries.

On the international economic situation both sides noted with grave concern the deteriorating world economic situation leading to a widening gap between the developing and developed countries.

They called for the speedy implementation of the special measures already agreed upon by the international community in favour of the least developed countries. They emphasised the urgent need for the creation of a New International Economic Order, considering the growing economic disparity between the industrialised countries and the developing countries. They also agreed that all efforts should be made to reach an agreement on the early resumption of global negotiations consistent with the wishes of the vast majority of developing nations. They further stressed the importance of South-South cooperation as a parallel strategy for the developing countries.

The two leaders were of the view that structured regional cooperation in South Asia will lead to the strengthening of relations amongst the countries and contribute to the betterment of the quality of life of the peoples of the region. The two leaders were convinced that the preparatory stage has adequately advanced so as to permit the launching of the Integrated Programme of Action and shared the expectation that the ensuing meeting of the Foreign Ministers in New Delhi will successfully initiate its implementation.

His Excellency the Chief Martial Law Administrator of Bangladesh expressed his thanks to His Excellency the President of the Maldives for the very warm and cordial welcome and the generous hospitality extended to him and members of his delegation during their visit to the Republic of Maldives. His Excellency the Chief Martial Law Administrator of Bangladesh extended an invitation to His Excellency the President of the Republic of Maldives to visit Bangladesh at a convenient time. The invitation was accepted with pleasure.

CSO: 4600/1536

REPORTS ON ERSHAD 14 AUG SPEECHES IN CHITTAGONG

Election Schedule, Problems Noted

Dhaka THE BANGLADESH OBSERVER in English 15 Aug 83 pp 1, 12

[Text] Mirerswarai (Chittagong) Aug 14--The Chief Martial Law Administrator Lt Gen H.M. Ershad said here today that the 18-point programme announced by the Government has generated spontaneous enthusiasm among the people to participate in the national development activities, reports BSS.

Addressing a mammoth public gathering, the CMLA said the programme is not meant for serving any individual or group interest, rather is a programme for improving the lot of the ten crore people by emancipating them from deprivation, hunger, poverty, diseases and illiteracy.

He said the programme has given the nation a sense of direction and they have started their journey with renewed vigour to accomplish the task of achieving economic emancipation. This is evident from the fact that streams of people have now been joining the 18-point programme implementation council at different levels.

Referring to the election schedule, Gen Ershad reiterated that it will be maintained. It will begin with local bodies elections from December 27 this year and will end with the general elections in March 1985. The general elections will be held under the Constitution which has not been abrogated but stands suspended, he said, adding: the suspension of the Constitution will be withdrawn at the appropriate time.

He said the process of democracy which has been stated from the grass root level must be allowed to go on uninterrupted. It will help build suitable institutions as well as the system. Any attempt to thwart this process will be detrimental to the nation, he added.

The CMLA called upon the people to elect honest and dedicated persons in the coming local bodies elections who will be able to look after their interest and provide correct leadership to them to reshape their destiny. "If you make mistakes, you will suffer," he pointed out.

Gen Ershad said the nation has numerous problems which cannot be solved overnight. We are working day and night and trying to bring about necessary changes and reforms in different sectors to ensure socio-economic development. The task ahead is not easy but if we work unitedly, honestly and relentlessly we will Inshallah, reach our cherished goal, he added.

He said that during the last 16 months the Government has spent every day in identifying some problems or other and finding their solutions. Despite many odds, we have taken bold steps to decentralise the administration and the judiciary, revitalise the economy and reshape the rural life, he said.

Referring to land reforms, the CMLA said it will give new incentive to the peasants who have so far been subjected to neglect and deprivation. They will now have security of livelihood and due share in the crop. They will no more have the fear of being evicted from their homestead. This changed situation will boost agricultural production and help achieve self-sufficiency in food within the targetted period, he added.

Identifying the population boom as the biggest problem now facing the nation, Gen Ershad said we must make all out efforts to motivate the people to take to family planning. Unless the present rate of population growth is checked all the development activities will prove futile.

He asked those connected with the family planning activities to realise the seriousness of the problem and take more interest and initiative in the discharge of their responsibilities. "If you fail to do your duty sincerely you will do the biggest harm to the country," he warned.

Turning to the education system, the CMLA said that the colonial education system that we inherited will have to be re-cast suiting the requirements of the country. We must ensure a secured career for our future generations and create a better socio-economic condition for them. We want to end their frustration and make them worthy citizens, he added.

Referring to the erosion of moral values, Gen Ershad said it can be restored by reflecting the ideals and values of Islam in every sphere of national and state life. In this context he underlined the imperative need for ensuring rightful place of the women folk in the society. Only enactment of laws will not do. People will have to build resistance against moral degeneration and oppression of women, he added.

He called upon the people to help check corruption which is deep rooted in the society. To deal with this problem the Government is changing the system which breeds corruption. We must also look down upon the corrupted people so that they cannot thrive in any form at any time.

Later the CMLA visited the Mirersawri Upa-Zilla office and talked to the officials while reviewing the progress of work in different sectors. He specifically checked the activities in agricultural loan giving and family planning. He expressed his dissatisfaction at the performance in the family planning sector and warned that any negligence of duties or shirking of responsibilities in this vital field will be taken serious note of.

Gen Ershad also visited the thana health complex. He was unhappy to see that work is not going on satisfactorily in the complex and gave the instruction that things should be set right without any loss of time.

He went round a mohila kuthir shilpa exhibition and enquired about the marketing facilities for the handicrafts which were put on display.

All along the route from the helipad to Mirersawrai Upa-zilla office complex a distance of nearly seven miles, people lined up on both sides of the road and greeted General Ershad with welcome slogans. On his way he visited the Norargani Boys High School and Girls High School and enquired about the welfare of the students.

On his way back from Mireswarai to Dhaka the CMLA made a stop-over at Kazir-Hat Sluice-Gate under Sonagazi Upa-zilla in Noakhali district. During the visit he made searching queries from the Water Development Board officials about the function of the sluice gate. He also enquired about the progress of the Muhuri Irrigation Project.

#### High Court Division Inauguration

Dhaka THE BANGLADESH OBSERVER in English 15 Aug 83 pp 1, 12

[Text] Chittagong, Aug 14--The Chief Martial Law Administrator Lt General H.M. Ershad today reiterated firm determination of his Government to establish rule of law and justice for all.

Inaugurating the permanent bench of the High Court Division of Supreme Court here at Agrabad the CMLA said that decentralisation of judiciary was aimed at ensuring quick dispensation of justice to the people irrespective of class and creed.

Gen Ershad said that the Government keeping this in view had taken effective initiative to separate judiciary from administration and to implement it at the level of Upa Zilla. This policy he said, has brought law and justice at the doorstep of poor masses.

Gen Ershad declared that time has come to redress and mitigate the sufferings of all these Lalsha Mias and that is why the inauguration of this High Court Bench at Chittagong is really a happy occasion.

The CMLA said that one permanent High Court bench was set up at Barisal last month for that purpose. Besides three other High Court benches are functioning each at Comilla, Rangpur and Jessore. Another High Court bench will also start functioning soon at Sylhet, he added.

He reminded the Judges, lawyers and Government officials to keep it in mind that laws were being formulated to redress the sufferings of the people and not to increase their distress. For successful materialisation of this policy it is necessary to make laws up to date, he added.

Gen Ershad sought cooperation from all in this regard and said the Government had already taken steps to make necessary amendments of laws so that people, particularly the poor helpless and oppressed masses living in the rural areas get justice easily.

The CMLA said that three more judges were appointed for quicker disposal of cases and to cope with the increase load of work in the Judicial Department. Besides, 125 Munsiffs were posted in the upgraded Upa-Zillas. Another 250 Munsiffs will be appointed shortly, he informed.

He said that the Commission set up by the Government to make recommendations to amend the Civil Procedure Code has already submitted its report. The Government has been considering the recommendations and it is hoped that Civil Procedure Code could be amended on the basis of these recommendations.

Gen Ershad said that Criminal Procedure Code had already been amended in the light of changed condition which helped in the quick disposal of 70 thousand cases. The remaining pending criminal cases will also be disposed of soon, he added.

Referring to the pending cases in High Court, the CMLA said before opening of the regional High Court benches, there were more than 18 thousand pending cases in Dhaka High Court. "You will be happy to note that seven thousand such pending cases have already been disposed of by the High Court benches," he added.

He said that the success of the historic decentralisation of judiciary will depend to a greater extent on the close cooperation and understanding between the newly established benches and the learned lawyers and Government officials.

Underlying the important role of intellectuals in building the country, he said it is their sacred responsibility to identify the injustices rooted in the society. For that reason, the rule of law means welfare of the people, he added.

Gen Ershad mentioned about the social vices and said that degeneration of values plunged the younger generation in frustration and demoralisation. He called upon the intellectuals to help build character of young people and for checking further erosion of values.

The CMLA sought participation of lawyers in the development activities and their support for transition to democracy. The announcement of election schedule already initiated this process. The lawyers have a particular role to lead this process and work for its implementation, he added.

The Law and Parliamentary Minister, Mr K.A. Bakr in his speech said that the setting up of High Court bench at Chittagong fulfilled a long cherished desire and helped bring judiciary at the doorstep of people.

Later CMLA went round different section of High Court benches and talked to lawyers. The Zonal Martial Law Administrator Major General Abdul Mannaf was with the CMLA.

Later, Gen Ershad talked to the members of the local Bar Association and listened to their professional problems. He announced grant of Taka five lakh for the Bar Library and another Taka five lakh to repay loans.

#### Infiltration into India Denied

Dhaka THE BANGLADESH OBSERVER in English 15 Aug 83 p 1

[Text] Mirerswarai (Chittagong) Aug 14--The Chief Martial Law Administrator Lt Gen H.M. Ershad today refuted allegations made in a sector of Indian Press that Bangladesh nationals are infiltrating into India reports BSS.

Addressing a mammoth public gathering here and also at the inauguration function of the Chittagong High Court Bench, the CMLA said we have achieved our independence after supreme sacrifices to belong to the country and not to leave it.

He said we have shed much blood and sacrificed valuable lives to make our country a better abode to live in. "Our people are living in complete harmony and peace. We have security of life and food to feed our people cheaper than any other place. It is therefore out of question for our people to leave for any other country illegally as has been alleged," he added.

Gen Ershad hoped that the quarters which are dishing out misleading reports would desist from making such baseless allegations which tend to damage the friendly relations between the two countries.

CSO: 4600/1552

ERSHAD 1 AUG SPEECHES ON LAND REFORMS REPORTED

Dkaha THE BANGLADESH OBSERVER in English 2 Aug 83 pp 1, 12

[Text] Phulbari (Dinajpur) Aug 1--The Chief Martial Law Administrator Lt Gen H.M. Ershad today said that the land reforms measures of the present Government will revolutionise the agriculture and reshape the entire rural life.

He was addressing two mammoth meetings, one at Phulbari and another at Islampur in Jamulpur district while upgrading these two thanas into Upazillas today.

People from far-flung areas thronged the meeting place with welcome banners and festoons giving a festive look in both places. They greeted Gen Ershad with full throated slogans expressing their total support to the 18-point programme. People showered flowers on Gen Ershad as he walked down from the helipad to the venue of the meeting at both the places. He was presented with bouquets by school children.

The CMLA told the surging crowd that his Government had already taken a number of bold and revolutionary steps to energise all spheres of national life of which the land reforms is the latest.

Amidst thunderous applause Gen Ershad declared that from now on no peasant can be evicted from his homestead on the land under his ownership on any account. He said in keeping with the pledge made by his Government the peasants will have security of livelihood and their due share in the crop.

Detailing the share ratio he said the owner of the lands will get 33.3 percent while the share cropper will get another 33.3 percent and the rest will go in favour of the person who will provide inputs. This is for the first time that the produce of the land will be divided on the basis of "teohaga" policy. He said a share cropper cannot be thrown out of the land by the owner if the share cropper and his family cultivate themselves and if he pays the due share to the owner. The peasants who have been working as share cropper on a land will get five years occupancy as recognised sharer of produces of that land under a specific agreement deed.

Furthermore, minimum wage for the land labourers will be determined with legal support which will not be less than three and a half seers of rice or equivalent price.

The CMLA said he is confident that with the introduction of the new system the peasants will feel encouraged to increase food production. Inshallah we will be able to achieve self-sufficiency in food in two years time if we can go ahead with our crash programme in this regard, he added.

He said the 18-point programme which is the programme of the ten crore people will be implemented one by one to achieve economic emancipation and reach the fruits of independence to the teeming millions.

The CMLA said the administrative and judicial reforms undertaken by the Government have already started yielding positive results. The people in the rural areas are now getting benefits of decentralisation of administration and quick dispensation of justice at their door steps. The days are not far when the 68,000 villages of the country will be self-sufficient in all fields and will be a better place to live in, he added.

Gen Ershad laid special emphasis on population control measures and said our survival depends on the success in this sector. Unless we can check the present rate of population growth all our development efforts will be rendered fruitless.

He cautioned those connected with family planning activities against negligence or lack of initiatives in the discharge of their duties and said, "if you fail to come up to the expectation you will do the greatest harm to yourselves and the country.

Gen Ershad spoke of the role the women can play in the nation building activities if they are given their rightful place in the society. He said it is a matter of regret that the womenfolk are still made victims of persecutions which cannot be allowed to continue. Suitable laws will be introduced shortly to save them from social persecution and humiliation.

Turning to the democratic process already initiated by the Government, he said it must start from the village. "The elections schedules have already been announced and we must ensure that the process of restoring real democracy, the people's democracy, is not disturbed. What is needed most now is peace and discipline in all spheres of life. Political rivalries should be replaced by tolerance. Hatred should be replaced by accommodation. This is the time for constructive thinking and relentless work. Let our goal be the welfare of the people, he added.

The CMLA referred to the need for recasting the existing education system which we inherited from the colonial rulers. We must introduce a system which will take care of our requirements. We cannot go on adding to the frustration of our young people and the mounting unemployment. We must ensure a secured career for our future generations. They should be worthy citizens of the country.

Referring to erosion of moral values, Gen Ershad said we can overcome this problem by reflecting the values and ideals of Islam in all spheres of our state and social life. He said our present day problems can be solved easily if we follow the tenets of holy Quran and Sunnah.

Gen Ershad said, "The journey we have started 16 months ago was the journey towards the villages. We have travelled a long way crossing many hurdles. By the mercy of the Almighty Allah, we have reached a stage from where we can see the light of hope for the rest of our journey. I am sure if we work unitedly reinvigorating the national spirit, Inshallah, we will reach our cherished goal of building a new Bangladesh free from poverty, hunger, diseases and illiteracy."

At Phulbari he announced a grant of Taka five lakh to local purashava, Taka 50 thousand for the local mosque. Taka 50 thousand for schools and Taka ten thousand for local Muktijoddha Sangsad. At Islampur he announced a grant of Taka ten thousand for Islampur College, Taka ten thousand for schools, Taka five thousand for local Madrasa, Taka ten thousand for local mosque and Taka ten thousand for local Muktijoddha Sangsad.

The CMLA unveiled the plaque of the two newly upgraded upazillas--Phulbari and Islampur--and offered munajat for the progress and prosperity of the country.

The Principal Staff Officer to the CMLA, Major General Atiqur Rahman accompanied the CMLA.

The Zonal Martial Law Administrator, Zone "A," Major General Abdur Rahman was presented at upgradation ceremony at Islampur and the Zonal Martial Law Administrator Zone "B" Major General Abdus Salam was present at Phulbari.

CSO: 4600/1537

SUSPENDED AWAMI LEAGUE MEMBERS REACT TO OUSTER

Razzak Holds Meeting

Dhaka THE BANGLADESH TIMES in English 4 Aug 83 pp 1, 8

[Text] The members of the Bangladesh Awami League (Hasina) Working Committee led by Mr Abdul Malek Ukil and Mr Abdur Razzak at a meeting on Wednesday suspended nine party leaders in retaliation to the measures taken against them by the Working Committee convened and chaired by party chief Sheikh Hasina Wazed on Tuesday against them.

They did not, however, take any action against Sheikh Hasina Wazed but asked her to "return to mainstream of the party to hold high the ideology of BAKSAL enunciated by her later father.

The 9 leaders suspended by the emergency meeting of the Working Committee convened by Mr Abdur Razzak are: Bogum Zohra Tajuddin, Mr Korban Ali, Mr Abdul Mannan, Mr Zillur Rahman, Mr Abdus Samad Azad, Dr Kamal Hossain--members of the party Presidium, Mrs Sajeda Chowdhury and Mr Amir Hossain Amu--Joint Secretaries, and Mr Tofael Ahmed--Organising Secretary.

It could not be gathered how many members of the working committee attended the meeting, according to AL constitution, 13 members are needed for the quorum of a meeting.

The supporters of Sheikh Hasina claimed that the two-day meeting of the party Working Committee convened by her was attended by 33 members. The WC consists of 53 members of whom one is dead, one in jail and another hospitalised.

Mr Abdul Malek Ukil was absent when Mr Razzak flanked by Messrs Abdul Momin Talukder, member, Presidium, S.M. Yusuf, Syed Ahmed, Shafiqul Aziz Mukul, Sardar Amzad Hossain, all members of secretariat, Rashed Mosharraf, Hishamuddin Haider Pahani, General Secretary, City AL, Lutfar Rahman and A.B.M. Taleb Ali, announced the decision of his Working Committee meeting.

Syeda Zohra Tajuddin on Tuesday night had announced the disciplinary action against Mr Razzak and five other leaders of his group at the residence of late Sheikh Mujibur Rahman.

Reading out a written statement on the decisions taken by the working committee Mr Abdur Razzak said, "we would like to point out that we made Sheikh Hasina Wazed the party chief as a symbol of unity. Although it is regrettable but true that she has failed to maintain the party unity as she fell in the clutches of the agents of imperialism and the clique of exploiters, we request her to come out of this circle and join the struggle for establishing an exploitation-free society through the implementation of the programme of BKSL the mainstream and correct political line of Bangabandhu."

Earlier in the afternoon while talking informally with the newsmen at her residence Sheikh Hasina Wajez said that she was "sad about the whole situation."

"I wanted them (Razzak group) to attend the meeting of the working committee and present their points of view. A lot of things could have been ironed out. Despite my best efforts they failed to turn up," she said.

The Working Committee loyal to Mr Razzak began its session at 11 a.m. on Tuesday with Mr Abdul Malek Ukil in the chair. It was adjourned till 9 p.m. at 4 in the afternoon. At 8-10 p.m. Mr Abdur Razzak briefed the waiting newsmen on the decisions taken by the committee. However, he refused to answer any questions and only said that their position would be explained at a press conference on August 10.

He also expressed his sympathy with the victims of Cyclone that hit Dhaka Chittagong and other places of the country.

Reiterating his faction's efforts to maintain unity at party and national level, Mr Abdur Razzak held the "local agents of imperialism and reactionary circle hidden inside the Awami League" responsible for killing Sheikh Mujibur Rahman.

"When the responsibility of waging a struggle to put an end to the present situation lied with the Awami League, the identified enemies of Bangbandhu's ideal took the step inside the organisation to disrupt its unity in an ignominious manner," Mr Razzak remarked.

The central office of the Bangladesh Awami League (Hasina) remained under the control of the supporters of Mr Abdur Razzak on Wednesday.

There was, however, no activities in the central office as no important party leader visited the office on the day.

Awami League workers belonging to Razzak faction were found whiling away their time inside the office. The supporters of Sheikh Hasina, the party chief, did not come to the central office.

Police pickets were withdrawn although vigilance of the law enforcing agencies continued in the area around the AL office.

### **Dr Kamal's Reaction**

ENA adds: Awami League presidium member Dr Kamal Hussain on Wednesday night described the central working committee meeting held by Razzak faction as "a further act of indiscipline."

Dr Kamal Hussain was giving his reaction over telephone on Wednesday night on actions by Razzak-faction. Dr Kamal, however, said that he would not make any comment on the suspension of nine leaders from the party as announced by the central committee meeting held by Mr Razzak and his supporters. He said, "Their show cause notice is still awaiting disposal. As such any comment at this stage will be subjudice."

Asked to comment on the remark of Mr Malek Ukil that the actions against six pro-Razzak leaders was taken by "those who came to Bangladesh with a contact to break up the party and their contact is fulfilled," Dr Hussain said "such a statement is unbecoming and improper."

### **Party Deemed 'Inoperative'**

Dhaka THE BANGLADESH OBSERVER in English 7 Aug 83 pp 1, 12

[Text] Bangladesh Awami League (pro-Razzak) in its working committee meeting on Saturday observed that the party has become inoperative following conspiracy, anti-progressive and anti-movement leadership of a faction within the party.

The party passed a number of resolutions at a meeting of the executive committee held at the party central office on the day.

The party stressed the need for greater unity of the 15-party alliance for launching a strong national movement.

The resolutions of the meeting include restoration of fundamental rights and return of power to the people's representatives through holding of the parliamentary polls soon.

The meeting also called upon the party rank and file to resist the reactionary and imperialist forces for the implementation of BAKSAL programmes through unity of the peasants, workers, students and people.

The meeting strongly condemned the incidents at the Dhaka University campus on Thursday last and demanded restoration of academic atmosphere in the educational institutions including the Dhaka University. The meeting also demanded release of the political detenus.

The meeting in another resolution urged the government for adequate relief for the flood affected people.

CSO: 4600/1541

REVISIONS IN SECOND 5-YEAR PLAN TOLD

Dhaka THE BANGLADESH OBSERVER in English 4 Aug 83 pp 1, 8

[Text] The country's Gross Domestic Product (GDP) has been projected to grow at an average annual rate of 5.4 percent during 1980-85 in the final version of the Second Five-Year Plan (SFYP). The draft SFYP document which was issued in July 80 had earlier projected the GDP growth rate at an annual average of 7.2 percent.

The final SFYP document, published only recently, notes that in the first two years of the current plan period (1980-85), the growth rates have been very erratic, starting with 6 percent in the first year, then only 0.9 percent in the second year and again around 3.8 percent in the third year.

The plan size has now been revised at Taka 17,200 crore--Taka 11,000 crore for the public sector and Taka 6,100 crore for the private sector in 1979-80 prices. The financial size in the final version of SFYP indicates thus a substantial reduction in the public sector programme from its original size of Taka 20125 crore.

The reduction in public sector's size in the final SFYP has been brought about by "dropping and deferring projects having very little impact on growth and output in the medium term." A good number of projects which were necessary for long-term growth prospect were also shelved. "The choice was dictated by the need of improving external as well as domestic resource gaps through expansion of output and export to the maximum possible extent given the constraint of resources, the final SFYP document says.

While the financial size of the public sector development programme over the Second Five-Year Plan period has been reduced, that of the private sector has been raised over the draft plan allocation. The share of the private sector allocation in the total development outlay has been thus enhanced from 21 percent in the final SFYP. "The increased allocation to the private sector reflects the change in official policy towards private sector," the final plan document observes.

Of the total plan outlay, Taka 7,091 crore is expected to be received in foreign aid (net) as against Taka 6,737 crore (in 1979/80 prices) received between 1975/76 and 1979/80 at current prices. The domestic resource need during the SFYP period has been estimated in the final plan document at Taka 2,500 crore for non-investment financial outlay of the public sector and the private sector. The plan notes that in addition to planned development outlays there will be investment in Food for Works Programme, food stock and other inventories and in equity capital of public corporations.

The SFYP final document projects that the national savings as a proportion of GDP will increase from 6.6 percent in 1979-80 to 11.2 percent in 1984-85. The tax-GDP ratio will stand at 9.5 percent in 1984-85 (terminal year of the SFYP) from 7.9 percent in 1979-80.

The foreign net (net) as proportion of GDP has been projected at 5.1 percent in 1984-85 as against 9.8 percent in 1979-80.

The major physical output targets for the terminal year of the SFYP period in 1984-85 has now been set in the following manner: Rice--175 lakh tons, jute--60 lakh bales tea--950 lakh bales, raw cotton--56 thousand bales, fish--ten lakh tons, jute goods--6.5 lakh tons, sugar--two lakh tons, cotton yarns--1830 lakh lbs., cotton cloth--12,000 lakh yards, fertilizer--10.37 lakh tons, newsprint and mechanical print--48 thousand tons and cement--450 thousand tons.

In the energy sector, the gross generation of electricity in the country will increase to 4,455 million KWH in 1984-85 as against 2,353 million KWH in 1979-80. As against 2,181 villages in 1979-80, 25 thousand villages will be covered under rural electrification programme in 1984-85. The transmission and distribution lines for electricity supply will stand at 1,496 miles and 31,390 miles respectively in 1984-85. The gas production will increase from 44,970 MMCF in 1979-80 to 1,28,00 MMCF in 1984-85 with the related transmission line and distribution line being extended from 142 miles in 1979-80 to 478 miles in 1984-85 and from 1,005 miles in 1979-80 to 2,175 miles in 1984-85 respectively.

Specific targets for health, population, education and infrastructure sectors have also been set in the plan.

The plan projects that out of 3.22 crore labour force in the country, 2.93 crore people will have employment opportunities in the terminal year in 1984-85.

CSO: 4600/1540

BRIEFS

AWAMI LEAGUE CENTRAL COUNCIL--The biennial Central Council meeting of the Bangladesh Awami League (Hasina) will be held from January 19 to 21, 1984. This was decided on the second day of the party's central working committee meeting yesterday at the Dhanmondi residence of party Chief Hasina Wazed. It was also decided yesterday that the party will launch its membership drive from September 1 and the union-level councils of the party will be held from October 1 to 31 while the whole month of November has been earmarked for the thana-level biennial councils. The district level biennial councils will be held from December 1 to 31, 1983. [Text] [Dhaka THE NEW NATION in English 3 Aug 83 pp 1, 8]

CSO: 4600/1539

PRESSURE ON CPI TO STOP OPPOSING GANDHI

Calcutta THE STATESMAN in English 18 Aug 83 p 9

[Text] New Delhi, Aug 17--Pressures are being mounted on the central leadership of the CPI and its general secretary, Mr C. Rajeswara Rao, by the "Patriotic Front," to change the party's political line of opposing Mrs Gandhi and her Government.

The so-called Patriotic Front (not a formal group) consists of a very pro-Mrs Gandhi faction in the CPI and sympathizers of the CPI and pro-Soviet lobbyists opposed to the CPI-M and the Communist Party of China.

The pro-Mrs Gandhi faction in the CPI includes prominently Mr Mohit Sen (in fact, he leads it), member of the central executive committee of the party; Mr Yonendra Sharma, M.P., Mr G.K. Chandrapan, and other leading lights of the party. The Patriotic Front has been using the columns of an openly pro-Communist, pro-Soviet daily to mobilize a favourable opinion on the urgent need to support Mrs Gandhi and her Government on the specious arguments that she is one of the world's greatest champions of peace and is anti-USA and its nuclear war designs.

Mr Mohit Sen, it is believed in official Communist circles, wrote on July 10 an article in the daily under the pseudonum "S.M. Ranga Rao," criticizing the official CPI line of opposing Mrs Gandhi. Mr Mohit Sen was recently censured publicly by the party's central leadership for his open opposition to the official line.

Yet another, but more important, plank used by Mr Sen and his friends in the Patriotic Front to put pressure on the CPI's central leadership and Mr Rajeswara Rao is to highlight the "total line-up" of the Soviet Union and East European Communist countries behind Mrs Gandhi. A seminar here last week organized by the pro-Soviet group of publications under the auspices of the Patriotic Front was aimed at serving the same purpose. The two-day seminar was ostensibly on the topic "The world towards 1990" and entry to it was by invitation only.

Besides Indian intellectuals drawn from various academic fields, the seminar was attended by ambassadors in India of GDR, Cuba, Vietnam, Bulgaria. Representatives from Socialist countries, who came to attend the seminar

were from the Soviet Union, Cuba, Bulgaria, Vietnam. Official central CPI leadership sources confirmed that pressures have been intensified on the general secretary and members of the party's central secretariat for changing the political line.

Mr Rajeswara Rao has appeared so far on firmer ground and refused to yield to the pressures of the pro-Mrs Gandhi faction in the party and the Patriotic Front. For during the seminar, the Patriot published on Sunday, August 14, an article by a member of the National Council of the CPI, Mr Pauly Parakal (pro-official liner) attacking Mr Mohit Sen and other defenders of the line of supporting Mrs Gandhi. Mr Parakal ended his six-column article with the declaration: "Let these well-wishers of the CPI and the Left go on shouting hoarse. The CPI will go ahead unfaltering. The CPI will go ahead unfaltering, assuredly and with determination on the path charted by the Bhatinda congress of the party and reiterated at its Varanasi congress."

What has so far disconcerted the pro-Mrs Gandhi faction is that Mr Rajeswara enjoys a majority on his side in the party's nine-member central secretariat, the central executive committee and the National Council, the last being the highest policy-making body of the CPI between the two congresses of the party.

USO: 4660/1529

NEW BIHAR CHIEF MINISTER, AIDES SWORN IN

Bombay THE TIMES OF INDIA in English 15 Aug 83 pp 1, 9

[Text] Patna, August 14--Mr Chandra Shekhar Singh, who was Union minister of state for energy, was sworn in as the 20th chief minister of Bihar since Independence by the governor, Dr A.R. Kidwai, today.

The outgoing chief minister, Dr Jagannath, the two AICC(I) observers said, the chief justice of the Patna high court, Mr Sarwar Ali, besides distinguished citizens and senior officials of the state government attended the swearing-in ceremony held at the ornate Durbar Hall of Rai Bhavan.

A team of nine cabinet ministers chosen by Mr Singh was also sworn in. Barring Mr Nagendra Jha, leader of the anti-Jagannath campaign which culminated in the transfer of power today, Mr L.P. Shahi, who joined the dissidents after being sacked by Dr Jagannath in February, and Mr Dilkeshwar Ram, a Harijan leader, the remaining six ministers were close to the outgoing chief minister.

They are Mr Ramashray Prasad Singh, Mr Lahtan Choudhary, Mr T. Mochi Rai Munda, Chaudhary Mohammed Salauddin, Mr Jagnarain Trivedi (all members of the Jagannath ministry) and Mr Rafique Alam, MP and president of the Bihar Pradesh Congress (I) committee.

Earlier, in a smooth transfer of power, Mr Singh was elected leader of the 222-member Bihar legislature Congress (I) party.

Dr Jagannath himself proposed the name of his successor and declared him elected unopposed as leader of the CLP (I) in the presence of the AICC (I) observer, Mr Pranab Mukherjee, Union finance minister, and Mr Arun Nehru, MP.

The election of Mr Singh was preceded by an address by the AICC (I) observer, Mr Pranab Mukherjee to the Congress (I) legislators at the legislature party meeting held at the PCC (I) headquarters, Sadaqat Ashram. Mr Mukherjee said he and Mr Arun Nehru had interviewed members of the party until late last night and it was clear from their views that while some were opposed to the change, others favoured it.

He said he would not disclose the extent of the split because it would divide the party. In keeping with the Congress (I) traditions, the need was for consensus so that the wishes of the party leader, Mrs Indira Gandhi, could be faithfully carried out.

In the course of his speech, Mr Mukherjee also criticised the press, which, according to him, always viewed things with a "jaundiced eye." The Congress (I) legislators should not pay any heed to press reports that changes in the government were being brought about at the behest of Mrs Gandhi and not in a democratic way, he said.

Mr Mukherjee pointed out that the change was being made because Dr Jagannath had sought the Prime Minister's permission to relinquish charge as chief minister.

"Let the press say that Congress (I) legislators are bonded slaves of nonsense. We know the value of discipline and come what may would abide by the wishes and command of our leader under whose able guidance our party virtually rose like a phoenix after the debacle of 1977. General De Gaulle took 16 years to stage a comeback. But Mrs Gandhi was back in power within three years."

Dr Jagannath, who presided over the meeting, said that he had tendered his resignation to the governor and, therefore, the party had to elect a new leader. He proposed the name of Mr Singh, who sat with him on the dais. Mr Karam Chand Bhagat seconded it and within seconds Mr Singh was declared elected unopposed.

After a resolution moved by Mr Lahtan Chaudhary praising the achievements of Dr Jagannath's ministry had been adopted, the outgoing chief minister delivered a long speech saying that a small number of dissidents in the party, instead of seeking redress of their grievances from him, had poisoned the party leadership against him. Because of this he had to quit.

Dr Jagannath explained away the charges which were thought to have finally led to his replacement. Referring to his botanical garden speech in which his staunch supporters had allegedly made anti-Rajiv Gandhi references, Dr Jagannath said the tapes of those speeches could be replayed. Not even for a moment had he wavered in his loyalty to Mrs Gandhi.

#### "Clean Image"

About his anti-Centre speeches in the vidhan sabha and the vidhan parishad, Dr Jagannath said what he had mentioned in these speeches had been stated by him at several forums before even in the presence of Mrs Gandhi. He could not let the opposition take the credit for focussing attention on the problems of Bihar. He had only sought to enhance the reputation of the Congress (I).

New Delhi (PTI)--The President, on the advice of the Prime Minister, has accepted the resignation of Mr Chandra Shekhar Singh from the council of ministers, according to a xashtrapati Bhavan press communique here on Sunday.

CSO: 4600/1522

AKALI HARDLINERS REPORTED TO TAKE LEADERSHIP

Bombay THE TIMES OF INDIA in English 17 Aug 83 p 1

[Article by K.S. Khosla]

[Text] Chandigarh, August 16--A new leadership dominated by a group of hard-liners among the moderates is emerging in the Akali Dal.

This group, represented by the jathedars, has come to the fore as a result of the tussle in the moderates' camp between those belonging to the legislative wing and the organisational wing or to put it in Akali parlance, between "kursi chahn wale" and "dharam chahn wale."

The new hardliners are different from the extremists who have not indulged in violence, but they are equally opposed to any compromise on the party's demands.

Power Centre

Another significant development has been the growing realisation among extremists about the futility of violence. They seem to have realised that their methods are proving counter productive and forcing Hindus to drift away from Sikhs. It is for this reason that there is a comparative lull in extremist activity.

According to observers, the new power centre in the party has emerged as a result of the prolongation of the morcha which has weakened and demoralised the legislators' group led by Mr Prakash Singh Badal, former chief minister. This in turn, has strengthened the organisational wing led by Sant Harchand Singh Longowal.

This is not to say that there is an open rift in Akali ranks as no one would dare oppose the Akali leadership's stand as reflected in the 12 demands contained in Sant Longowal's recent letter to MPs.

But the simmering discontent and frustration among the legislators, who feel they have lost more than they have gained by resigning their seats in the vidhan sabha, is all too evident. Significantly, some of the Akali MLAs are known to be stealthily attending meetings of the vidhan sabha committee in violation of the party's directive.

The hardliners in the party have more than once accused the moderate leaders of making compromises with the Centre on some of the demands for the sake of personal gains.

According to reliable sources, Sant Longowal is in full command of the Akali campaign. This is clear from the fact that of the 14 district Akali jathas in the state, 13 owe allegiance to him.

As a consequence of this development, there has been a sea change in the Akali politics. While MLAs used to dominate the district jathas and also send volunteers for participation in the morcha, it is now the jathedars who are gaining supremacy. The legislators are not happy over the constitution of some of the district committees. But they can do little in the face of Sant Longowal's directive of August 13 to district and circle unit presidents not to reshuffle their working committees or replace other officer-bearers.

The jathedars' ascendancy is not surprising if one takes into account the fact that it is the urban Sikh, and not his rural counterpart, who is affected by the morcha. The stir has not hit the production of foodgrains. If one brother tills the land another joins the morcha. In contrast, the Sikhs in towns have been suffering as a result of the fall in business caused by the morcha.

Another factor which is helping the hardliners win the battle for supremacy is that the extremists, who either believe in violence or want the party at least to adopt a more bellicose attitude towards the Centre, seem to be lining up behind them. Of significance in this context is the invitation extended by Sant Longowal to Mr Amrik Singh, president of the All-India Sikh Students Federation and a hardcore supporter of Sant Bhindranwale, who has recently been freed to join the Akali leadership.

Mr Amrik Singh is an educated and ambitious man. He would not mind joining politics for which he would need the support of the Akali Dal.

Sant Bhindranwale himself, it is stated, has become a prisoner of his own actions. He launched the morcha in July last year to secure the release of his associates--Mr Amrik Singh and Mr Thara Singh, in charge of the Mehta Chowk gurdwara. His morcha was "adopted" by the Akali Dal the following month he lent his full support to the Akali Dal. It is he who has been exerting pressure on the moderate MLAs not to compromise with the Centre on the basic demands even though they were prepared to yield on some points.

#### Bhindranwale's Oath

Now that Sant Bhindranwale's associates have been released, he should leave the Golden Temple and resume his missionary work. But according to informed sources, he is not likely to do so since he is committed, under an oath taken at the Akal Takhat, to support Sant Longowal and the Akali Dal till the morcha ends.

Similarly, Mr G.S. Tohra, president of the Shiromani Gurdwara Prabandhak committee, is too much committed to doctrinal Sikhism that he cannot afford to fall out of line. Another leader, Mr Jagdey Singh Talwandi, tried to break away recently by calling a separate meeting of the Akali Dal. He soon abandoned the attempt and pledged support to Sant Longowal until the end of the morcha.

Whatever the internal conflicts, one thing is clear. New forces have emerged as a result of the prolongation of the morcha which shows no signs of weakening. In fact, the Akalis seem to be preparing for a long-drawn-out stir.

CSO: 4600/1525

ALLOCATION OF POSTS IN NEW BIHAR CABINET TOLD

Bombay THE TIMES OF INDIA in English 17 Aug 83 p 5

[Text] Patna, August 16--The Bihar chief minister, Mr C.S. Singh, will be in charge of finance, personnel and administrative reforms, home, planning and development, electricity, agriculture, irrigation, law and public relations departments, besides cabinet and co-ordinations departments.

The allocation of portfolios to other cabinet ministers is as follows:

Mr T. Mochi Roy Munda--welfare, tourism and housing; Mr L.P. Shahi--industries, mines and minerals and labour and employment; Mr Lahtan Choudhry--revenue and land reforms, relief and rehabilitation and rural development.

Mr Nagendra Jha--education, cooperation and minor irrigation; Mr Rafique Alam--rural reconstruction and panchayat raj, animal husbandry and fisheries; Mr Jagnarain Trivedi--jails and religious trusts.

Mr Dilkeshwar Ram--health and family welfare and forests; Mr Ramashray Prasad Singh--food supply and commerce and parliamentary affairs; Mr Choudhry Mohammed Salauddin--transport, excise and prohibition.

CSO: 4600/1525

PRESIDENT ZAIL SINGH'S INDEPENDENCE DAY MESSAGE

Calcutta THE STATESMAN in English 15 Aug 83 pp 1, 9

[Text] New Delhi, Aug 14--The President, Mr Zail Singh, today deplored the recent spurt in violence in various parts of the country and appealed to everyone to strengthen the forces of peace and stability. He also urged people to shun violence and confrontation.

Broadcasting to the nation on the eve of Independence Day, Mr Zail Singh said unity and discipline should be espoused by all.

Trends of disunity and indiscipline, he said, should be nipped in the bud by using administrative and political vision.

"We should be eternally vigilant and constantly endeavour to strengthen the unifying forces in the country," said the President, who presented a seven-point plan of action to bolster the moral and spiritual foundations of the nation.

Foremost of these is love for the motherland; devotion to national unity and integrity and the idea that "national unity is above all politics."

Other features include belief in non-violence and respect for all the religious because "all point to the oneness of godhead."

Mr Zail Singh said much could be achieved by India with team spirit and discipline. Youth should especially be relied upon to carry out any difficult task successfully and the Government and society should not do anything to undermine their confidence, he said.

"The way in which recently our cricket team won the World Cup shows that when individual excellence is combined with team spirit, we can work wonders," the President said.

Mr Zail Singh said political freedom imposed heavy responsibilities and the foremost task was to strive for economic freedom "without which all other freedoms would be mere empty slogans."

Much progress, he claimed, had taken place with economic planning in agricultural and industrial production.

"The growth that has been achieved has enabled us substantially to meet the basic demands of our fast-expanding population. Our society, stagnant for centuries is now moving forward steadily to achieve eradication of poverty, hunger and disease," he said.

The following is the text of the Independence Day message of the President, Mr Zail Singh.

Tomorrow we celebrate the 36th anniversary of our Independence. On this auspicious occasion, I greet you, all my fellow citizens here and abroad and extend to you my good wishes.

At the very outset, it is our duty to remember with gratitude the great sacrifices made by our people during the freedom movement to achieve Independence. I salute all those who participated in our freedom movement led by Mahatma Gandhi and other stalwarts. The founding fathers of our Constitution gave us a democratic polity, embodying the principles of democracy, socialism and secularism. We have travelled very far since then and the spirit of democracy has taken deep roots in our soil. The sovereign will of the people is reigning supreme and there is every reason for us to feel proud of our democratic traditions.

Political freedom imposed heavy responsibilities on our shoulders. The first and foremost task was to strive for economic freedom without which all other freedoms would be mere empty slogans. We opted for achieving economic development through planning based on the consent of the people. We have three decades of experience in economic planning during which our country has made significant progress in many directions. Sound foundations have been laid for agricultural and industrial production which have recorded reasonable growth rates. Simultaneously, growth has taken place in other sectors like health, education and so on. We must never forget that all this has been achieved within the framework of democratic institutions. The growth that has been achieved has enabled us substantially to meet the basic demands of our fast expanding population. Our society, stagnant for centuries, is now moving forward steadily to achieve the eradication of poverty, hunger and disease.

#### Violence

There has unfortunately been a spurt in violence in various parts of the country. In a democratic society there is no place for violence. It is quite natural for many problems to arise in a society that moves forward. But there is no problem that cannot be solved through frank and sincere discussions. I appeal to all to strengthen the forces of peace and stability and shun the path of violence and confrontation. This is the most appropriate way of paying

tribute to our leaders who made supreme sacrifices for achieving Independence and who gave us a democratic and secular constitutional framework. The spirit of oneness and unity should influence every one of our actions and everything else comes only next. Unity and discipline should be espoused by all of us and trends of disunity and indiscipline should be nipped in the bud whenever and wherever they raise their heads with administrative and political vision. We should be eternally vigilant and constantly endeavour to strengthen the unifying forces in the country.

To maintain the unity of the nation is not the exclusive responsibility of the Government only. The society at large is also to share an equal responsibility. Schools, colleges, universities and other educational institutions have to give thought to it. If the teaching community provides the right direction, the youth of today will never feel attracted to involve themselves in anti-social agitations. Therefore, there is great responsibility on the teachers to guide the youth on the right lines. I appeal to educationists and leaders of society that they should not allow the power of youth to be misused and all attention should be paid to building up their character and arousing their sense of patriotism. If any deficiencies in our educational system are causing discontentment among the youth, these should be removed.

Society gives a place of honour to religious gurus and leaders. They are in a position to play an important role for strengthening national unity and promoting social and economic progress. They can create a congenial climate for removal of social evils like dowry system, inequalities and other social evils, and for constructive activities such as women's education, health and family welfare.

The building up of right moral values and standards is essential for any meaningful, social and economic progress. Economic development for material prosperity coupled with moral and spiritual values will make our nation stronger. I would like to spell out the following seven points for action by each one of us so as to strengthen the moral and spiritual foundations of our nation:

1. Love for the motherland and devotion to national unity and integrity. National unity is above party politics.
2. Work is worship--its motto is service to society.
3. Humility in thought, word and deed and toleration of the viewpoints of others.
4. Adherence to truth and courage to speak the truth and if necessary, to make every sacrifice for it.
5. Non-violence--not only abjuring violence through weapons, but even not hurting anyone through words.
6. Respect for all religious faiths, as all point to the oneness of godhead.
7. Simplicity, good conduct and spirit of service in personal life.

I do not claim any originality for these views. These have been handed over to us by our ancestors. I am only highlighting them in order to focus attention. I feel that if each one of us strives to observe these principles in the day-to-day life, the nation will become great and life happier for everyone of us.

Recently we have witnessed that India can achieve anything with team spirit and discipline. Especially our youth should be relied upon to carry out any difficult task successfully. The Government and society must not do anything which will undermine their confidence. The way in which recently our cricket team won the World Cup shows that when individual excellence is combined with team spirit we can work wonders.

This year, in the month of March, we had the privilege of hosting the 7th Non-Aligned Summit of more than 100 nations, presided over by our Prime Minister, Shrimati Indira Gandhi. This was a very significant and historic conference. It was universally recognized that the conference was a great success and very well-organized. India's Prime Minister, as Chairperson of the Non-Aligned Movement, has undertaken the responsibility to wage a relentless struggle for peace and stability in the tension-ridden world. Very soon, India will be hosting the Commonwealth Heads of Government meeting and I am sure that the Commonwealth Conference will prove successful in every respect and strengthen the forces of peace and stability in the world.

Our tasks are by no means over and there are many problems, chronic in nature, yet to be solved on a priority basis. Poverty is our enemy number one which demands our undivided attention. Economic growth with social justice has been our watchword. There have been positive achievements in this field and a measure of progress is visible to the naked eye. In my tours to various parts of the country, I have observed that progress is being made and the weaker sections of society are marching forward with confidence about a better future for themselves.

This year flood, cyclone and drought have caused havoc in some parts of the country. Our sympathies go out to the people of the affected areas. Relief assistance has been provided by the Central and State Governments and measures taken to enable the farmers to overcome the adverse effects and achieve a higher level of foodgrains production than ever before. We are proud of our farmers and workers.

Our armed forces are a symbol of national unity and discipline. People belonging to all parts of the country, following different faiths and speaking various languages are working as one team to defend the country in every respect and enhancing our glory. With increasing emphasis on modernization and self-reliance, our armed forces are equipped and ready to face any unforeseen situation. Our brave jawans and officers deserve the nation's appreciation for their sense of patriotism and single-minded devotion to duty.

With these words, I would like to conclude by once again appealing to you that we must not spare any effort to strengthen the national will and determination for achieving our goals and reaching new heights. Jai Hind

CSO: 4600/1523

PRESS REPORTS FORMATION OF NATIONAL DEMOCRATIC ALLIANCE

Lok Dal, BJP Announcements

Calcutta THE STATESMAN in English 9 Aug 83 pp 1, 7

[Text] New Delhi, Aug 8--The Lok Dal and the Bharatiya Janata Party today formed a front, "National Democratic Alliance," evidently aimed at having a joint strategy for the next elections to the Lok Sabha and State Assemblies.

The two parties hoped that other like-minded parties would join their alliance, suggesting thereby that there is no invitation to them but they are welcome to the front.

The announcement, made by the general secretary of the Lok Dal, Mr Shyam Nandan Mishra, and Mr L.K. Advani, general secretary of the BJP, came after Mr Charan Singh and Mr Atal Bihari Vajpayee, the two presidents, respectively, of the two aligning parties, signed an agreement here today.

For giving an immediate start to their alliance, the Lok Dal and the BJP will have a joint bloc in Parliament and in State Assemblies. Secondly, they will constitute a steering committee which will draw up a concerted approach for elections and coordinate the activities of the two parties both inside and outside the legislature.

For the Lok Dal, the decision to have the alliance has been evidently taken at the summit level only. Mr Charan Singh did not appear to have sought a mandate from any convention workers of the Lok Dal for the alliance. A few Lok Dal MPs said the alliance generally did not work at the grassroots level. The president of the party should have convened a conference of workers to have their views on the alliance. The BJP president has obtained the mandate of the party's national executive.

Evidently, Mr Charan Singh and Mr Vajpayee kept the Janata Party out of their alliance in the first instance although Mr Charan Singh and the president of the Janata Party Mr Chandra Shekhar have held discussions.

According to sources, Mr Charan Singh had earlier favoured merger of all parties. The Janata leadership had used the word "unification" of the parties to revive "the spirit of 1977." Evidently, with the departure from

the Lok Dal of Mr Devi Lal, Mr Karpoori Thakur and Mr Biju Patnaik. Mr Charan Singh's party received a setback in Haryana, Bihar and Orissa. That was why, as the sources put it, Mr Charan Singh scaled down his demand from a merger to the alliance.

For the BJP, the alliance with Mr Charan Singh's Lok Dal is aimed at gathering rural votes which it (BJP) is generally not able to mobilize for itself in elections.

Addressing a joint Press conference, Mr Advani said the alliance was a "major step" to give a new direction to national politics and Mr Mishra said identities of the two parties would be kept in "suspended animation" for the purpose of joint functioning.

Mr Mishra said the Congress (J) president, Mr Jagjivan Ram, expressed reservations in joining the alliance if the BJP was in it, though the Congress (J) had been working together with the Lok Dal.

Both Mr Mishra and Mr Advani said the question of leadership of the alliance in the two Houses of Parliament would not be difficult to resolve. They hoped to sort it out in a few days and approach the presiding officers for recognition. In the Lok Sabha, the Lok Dal has 25 members and the BJP 16. In the Upper House, their respective strength is six and 14.

In a joint lengthy statement marking the formation of the front, Mr Charan Singh and Mr Vajpayee said Congress (I) had followed the wrong economic policies which led to unemployment and under-employment and the concentration of economic power in the few hands.

The "ruling class," they said, did not know what poverty was, what it meant. Nor did it want to know. They said two-thirds of the people did not get food while one-third had gone without clothing and shelter.

They alleged that the ruling party had not only exploited but positively encouraged all kinds of divisive forces, religious, sectarian, casteist and linguistic which tended to disintegrate society more and more. "While there can be no greater sin than this which a Government can commit against its own people, one is flabbergasted at the audacity with which the leadership of the ruling party has recently mounted a hectic campaign to shift the responsibility for this crime on the shoulders of the Opposition," Mr Charan Singh and Mr Vajpayee said.

#### Gandhi Comments

Calcutta THE STATESMAN in English 9 Aug 83 p 1

[Text] New Delhi, Aug 8--Mrs Gandhi called the Lok Dal-Bharatiya Janata Party alliance, forged today, a "big joke" and accused these parties of trying to fool the people "by such antics."

Mrs Gandhi ridiculed the alliance while addressing the orientation camp of the PCC(I) office-bearers of the southern States.

According to Mr C.M. Stephen, AICC(I) general secretary, who briefed reporters on the opening session of the camp, Mrs Gandhi asked: "Is this politics, or some kind of joke or game?" She said the Lok Dal and the BJP "are making fun of democracy and of the Indian people."

Mrs Gandhi said "these Opposition parties first came together, gave themselves a new name and then fell apart. They are coming together again. This is how they are making fun of the people."

Mrs Gandhi said the Congress(I) had at times made adjustments with other parties but these were to strengthen "our policies" without deviating from these policies, and without any compromise on ideology. The Congress(I) was the only party that had kept up its policies and directions. Parties would come and go but the Congress policies of socialism, secularism and non-alignment would never change, she asserted.

Mrs Gandhi denied the rumours being floated that she was banking on Hindu votes and did not care for minority votes. The fact was that she cared least whether she won or lost an election. What mattered to her most was the well-being of the people.

She said that in 1977, her defeat came to her as a great relief though she felt sorry for the Congress Party.

She accused the CPI of supporting the Rightist and chauvinist parties and said that during her previous regime, the CPI had extended support to her, but at no time had the Congress(I) deviated from its policies and ideology.

The Congress(I) working president, Mr Kamalapati Tripathi, today termed the BJP-Lok Dal alliance as "unholy."

#### Janata Not To Join

New Delhi PATRIOT in English 15 Aug 83 p 4

[Excerpt] Calcutta, Aug 14 (UNI, PTI)--Janata Party leader Subramaniam Swamy, MP, today ruled out the possibility of his party as well as other parties joining the newly formed National Democratic Alliance of the Lok Dal and Bharatiya Janata Party.

"Such alliance would not help provide an alternative to the Congress-I,) Mr Swamy told newsmen here.

He said although the issue was yet to be discussed at the highest level of his party, there was a lot of resistance against joining of the alliance." I personally think, however, that prospects of the Janata and other parties are very bleak," he added.

Mr Swamy said there was no fundamental differences between the Congress-I and Lok Dal-BJP alliance since both depended on the same vote bank to win the elections.

#### Major Posts to Charan Singh

Calcutta THE STATESMAN in English 18 Aug 83 p 1

[Text] New Delhi, Aug 17—Mr Charan Singh, president of the Lok Dal, was today, as predicted, chosen chairman of the Coordination Committee of the "National Democratic Alliance" of the Lok Dal and the Bharatiya Janata Party, which was formed early last week for the next parliamentary elections.

Mr Charan Singh was also appointed leader of the alliance in the Lok Sabha. The leadership of the two-party front in the Rajya Sabha has been entrusted to Mr L.K. Advani, general secretary of the BJP.

The president of the BJP, Mr Atal Bihari Vajpayee, holds the seemingly decorative post of chairman of the "parliamentary party" of the alliance, though both the Lok Dal and the BJP are two separate political parties.

The selection of leaders of the two-party alliance in the two Houses of Parliament, as well as the chairmanship of the coordination committee and of the parliamentary party, were made today at the first meeting of the alliance, which was presided over by Mr Charan Singh.

To give the alliance a start, the BJP evidently tactically conceded two major posts to Mr Charan Singh.

What Mr Vajpayee as the chairman of the parliamentary party would do was not clear. Speaking to reporters, Mr Advani, who announced the nominations to the posts in the alliance, disclosed that Mr Charan Singh and he would meet the Speaker of the Lok Sabha and the chairman of the Rajya Sabha tomorrow to demand recognition of the alliance as a single unit.

Mr Advani said that other office-bearers of the alliance in Parliament would be appointed by Mr Charan Singh and Mr Vajpayee. Similarly, the State units of the two parties would soon hold joint meetings of the legislature parties and elect alliance leaders, Mr Advani added.

He said that most opposition parties had described the alliance as a step in the right direction. Informal consultations were going on with some other opposition parties. Pursuing the idea of a national democratic alliance and not of individual leaders, Mr Advani said.

CSO: 4600/1528

## EFFORTS TO CATCH UP WITH ARMS MODERNIZATION TOLD

New Delhi PATRIOT in English 8 Aug 83 p 8

[Text]

Half way through the current five-year defence Plan, India is getting ready to catch up with modernisation requirements of the current international environment reports PTL.

The need for such modernisation in a rapidly expanding scenario of sophisticated armaments and weapons systems has become more imperative with Pakistan's increasing arsenal with F-16 fighter bombers and the Harpoon missiles heading the list.

Mr K Subrahmanyam, director of the Institute of Defence Studies and Analyses, says that the military hardware modernisation occurs in cyclic patterns. According to him, India's response has been in line with the objective of keeping up with these cycles in the three arms of the defence services.

India's plans are naturally linked to defence preparedness and hence all efforts are directed towards keeping the three services under a continuous process of modernisation and updating of equipment.

Since Independence, India made giant strides in indigenous production as well as collaboration in various fields of manufacture of armament, aircraft and ships together with the induction of sophisticated electronics systems and missile technology.

The present phase of modernisation may be described as the third cycle in progressive evolution of India's defence services, when more sophisticated supersonic aircraft are emerging with far greater emphasis on avionics.

In armament also new air-to-air, air-to-ground, surface to air and skimming missiles are being introduced besides cluster bombs and other weapons.

Tanks with 120 MM guns such as Chieftain, Leopard-II and T-72s are appearing on the international scene, along with a new series of infantry combat vehicles (ICVs).

Missile technology has made rapid strides. More modern anti-tank missiles like Tow and Milan have appeared. Sophisticated ship-to-ship and surface-to-air missiles like Crotale, SA-9, SA-10 and Superhawk have been introduced in this latest cycle.

The next international cycle is to begin some time in 1980s with a new series of fire-and-forget missiles, sense-and-destroy armour ammunition more of the 'smart' weapons, night-fighting capability with image intensifiers and so on.

Immediately after World War II the first generation jet fighters like Mysteres, Toofanis, Hunters, Canberras and F-86s were acquired by India along with M-47 and M-48 tanks.

The second cycle began in early 1960s with the introduction of supersonic MACH-2, fighters like starfighters, Phantoms, Mirage-IIIIs and MiG-21s. This was also the time when India-made Vijayanta, M-60 Patton and Leopard-I tanks came into service with 105 MM calibre guns. The world then also saw for the first time anti-tank surface-to-air and ship-to-ship missile systems.

The microprocessor revolution in electronics is going to have its full impact on weapon systems. Full potentialities of air borne warning and control system and remotely piloted vehicles and real-time information processing and surveillance will also come into play during the current cycle.

On the home front, experts say that a trend analysis of the past and present defence acquisition

plans of the country shows that there is currently awareness about this fast changing technological environment.

In the Indian Air Force MiG-23s and the new production line for MiG-27s will enable complete replacement of Hunter, Marut and Ajeet vintage aircraft. Besides, the Jaguar and Mirage-2000 strike aircraft India is also contemplating acquisition of the futuristic Soviet model still to be listed.

The Air Force is also keen to have a fleet of armed helicopters and helicopter-fired missiles, according to the experts. They say that Soviet items in these categories are being evaluated.

A new fleet of transport aircraft to replace the aging AN 12s is also on the cards. Along with the already ordered for AN-32s, the medium transport aircraft, the Soviet IL-76, which can carry up to 40 tonnes, is being considered.

On the armour side India is not only planning to produce soon T-72 tanks with laser range finders at Avadi Heavy Vehicles Factory, but have also plans to update the production lines to T-80, standards, subsequently. India is also to produce the Soviet infantry combat vehicle, BMP-1, which is described in military hardware literature as the best of its kind in the world.

The Bharat Dynamics Ltd. will start producing anti-tank Milan missiles from early next year.

India is on the look out for a suitable medium gun of 155 MM calibre for its artillery.

Another area is small arms in the army which is due for modernisation. Many countries are switching over to 5.5 MM calibre rifles and machine guns since that enables the soldier to carry more ammunition on him.

The need for a heavy machine gun has also been recognised.

While the negotiations with the United States for this item have not succeeded, other sources are being explored.

On the naval side, India is buying two HDW-1500 submarines from West Germany and has also plans to manufacture two more at the Mazagon Docks.

With the acquisition of the Kashin class destroyers, and the planned production of Godavari class frigates, the Indian Navy is moving ahead with its modernisation plans. The experts feel that there is need for a Corvette production line to replace the aging Petya class vessels.

The present fleet of old model Sea Kings helicopters will be replaced by Sea King-42B. India plans to buy from Britain. The Sea Eagle air-to-surface missile will add a punch to their strike capability.

However, there is still need for a larger shore-based helicopter force for patrolling and anti-submarine operations. The IL-38 are the present maritime reconnaissance aircraft which too will need replacement.

India will also have to go through a process of modernisation of its capabilities in communication, surveillance, data links, transportation, electronic counter measures and electronic counter counter measures.

With the substantial progress India has achieved in electronics, significant attention has to be devoted to these areas.

In the modern age, the experts say, defence preparedness is not merely one of forces, equipment and facilities. It is essentially one of updating technology, keeping up with research and development and ensuring continuous modernisation of production capability.

CSO: 4600/1509

REPORTAGE ON ALL-INDIA YOUTH CONFERENCE IN PUNE

Opening Day's Session

Bombay THE TIMES OF INDIA in English 9 Aug 83 p 9

[Text] Pune, August 8--Youth leaders participating in the "all-India youth for national construction" convention here today gave a warning of a state of anarchy in the nation if a multi-pronged approach for resolving the unemployment problem was not taken in time.

They said neglect of the rural sector, faulty planning and outdated education system were the causes of rising unemployment.

Nearly 1,000 delegates representing the youth wings of the non-Congress (I) and non-communist parties, student unions of various universities, the All-Assam Students Union (AASU) and the Gujarat Navnirman are attending the two-day convention. Today, Mrs Maneka Gandhi, leader of the Rashtriya Sanjay Manch, and Mr Sharad Pawar, president of the Congress (S), were on the dais. Leaders of other national parties are expected to arrive tomorrow.

Inaugurating the convention, Mr Kalmadi, MP and president of the Indian Youth Congress (S), said the rank opportunism of political leaders, rampant corruption in all walks of life and yielding to political pressure even by governors and the election commission were all symptoms of a decaying and degenerating system.

The need of the hour, Mr Kalmadi said, was to take bold and concrete steps to restore a semblance of order. The convention should evolve a positive document outlining steps to live up to the expectations of the youth of the nation.

Mr Kalmadi said the convention would bring out a charter of demands oriented towards solving these as well as other problems facing the nation. "We have assembled here today to act as a pressure group, to insist that the national leaders of all political parties accept the demands of the youth in their election manifestoes and their subsequent implementation," he said.

Mr Arun Shourie, well-known journalist, who spoke immediately after the inauguration, told the youths not to become the tails appendages of national leaders. Youths should try to lead the national leaders in a proper direction.

Mr Shourie emphasised the need to study the Gandhian way of organising agitations. He said the demands of the youths should be made on themselves and not on the community or others. In no case should there be a sacrifice of principles as this would lead to loss of self-respect.

He suggested that the convention should set up a monitoring group to go into all aspects of corrupt practices and take steps to curb them. He described the Maharashtra government's employment guarantee scheme as a "documented governmented fraud" and cited instances to show how those who tried to expose the malpractices were put to harsh treatment.

The convention then took up for discussion the declaration which dealt with corruption, values in public life and unemployment.

The declaration said the convention was greatly pained over the deterioration and degeneration of the national character and erosion of values such as equality, fraternity, truth, secularism which were cherished during the struggle for independence.

"Craft, pay-offs, hush money, kickbacks, and opportunism" were words that had come to be accepted as a way of life and "self-sacrifice, integrity, commitment and sincerity" were qualities of the past, the declaration said, adding that a careful study of the prevailing conditions clearly indicated that one of the root causes was the election system.

Among those who participated in the discussions were Mr Satyadeo Singh, president of the Bharatiya Janata Yuva Morcha, Mr Chandrajit Yadav, president of the Janyadi party, Mr Ram Vilas Paswan, Mr Harikesh Bahadur and Mr R.S. Raipa, all MPs, Mr Anand Ganapathi Raju, education minister of Andhra Pradesh, Mr Yogen Sharma, journalist, Mr Bal Apte of the Akhil Bharatiya Vidvarthi Parishad and Mr Mohan Dharia.

#### 10 Aug Session

Bombay THE TIMES OF INDIA in English 10 Aug 83 p 9

[Text] Pune, August 9--Mr Suresh Kalmadi, MP and convenor of the all-India youth convention, today asked national leaders of all non-Congress (I) and non-Communist parties to include the convention's charter of demands in their respective election manifestos.

The convention demanded that the right to work should be included as a fundamental right in the constitution; the employment guarantee scheme of Maharashtra should be launched on a nationwide basis with suitable modifications; and that a special employment guarantee scheme should be formulated and implemented.

The convention also asked for the reorientation of all policies to enhance the employment opportunities and encourage self-employment.

The other demands included making education more purposeful and productive; speedy electoral reforms; funding by the government of election expenditure of all political parties; audit of such an expenditure; and reducing the voting age from 21 to 18 years.

The convention said a uniform family planning policy should be implemented all over the country, irrespective of caste, creed and religion. The policy of "one family, one child" should also be encouraged, it added.

A majority of the national leaders present at the convention announced the acceptance of the charter of demands by them.

Dr Farooq Abdullah, chief minister of Jammu and Kashmir, made a fervent plea to all the opposition leaders to unite in the interest of the nation.

Unity should not be confined to the mere sharing of a common platform at meetings and conferences but should show results in the form of national progress, he told the youth convention.

#### United Opposition

Dr Abdullah said youth alone could compel the leaders to form a united opposition. Such a unity would lead the country to progress. In this context, he welcomed the formation of the National Democratic Alliance by the BJP and the Lok Dal and announced that leaders of all the national parties would meet in Jammu some time in September to consider the proposal for unity.

Asked what would be the agenda of the Jammu meeting, Dr Abdullah quipped: "The sky is the limit." He hoped that by that time the differences among the parties would be ironed out to a considerable extent and the leaders would be in a mood for a dialogue.

Dr Abdullah stoutly defended his government's resettlement bill and sought to allay the fears of the massive influx of Pakistanis into the state. How could that be possible when units of our armed forces were stationed on the borders, he asked.

Dr Abdullah's statements on the resettlement bill evoked a sharp reaction from the Bharatiya Janata Party. The party's secretary, Mr Pramod Mahajan (who addressed the convention in the absence of Mr Vajpayee) told newsmen that his party had registered a protest with the organisers of the convention. He said it was improper on the part of Dr Abdullah to utilise this platform to defend the controversial bill.

Later, addressing newsmen, Dr Abdullah said his opponents were trying to "paint him red" but they would not succeed in this attempt. Asked what his party would do if the supreme court struck down the bill, he said: "It will be wrong to prejudge the issue."

When a newsmen asked whether the newly-constructed China-Pakistan road did not pose a danger to Kashmir, the chief minister replied that "we should not be afraid of the Chinese. Those days are gone."

Welcoming the formation of regional parties, Dr Abdullah said they came into being because the people did not want their leaders to run to Delhi for settling even minor issues.

The Kashmiri leader said he had very cordial relations with the Prime Minister, Mrs Indira Gandhi, and was prepared to have a dialogue with her party. It was only the Congress (I) leaders from his state who poisoned her mind. Dr Abdullah said he would tour the country to explain his stand on various issues. He would soon visit Calcutta to invite industrialists to invest in Jammu and Kashmir.

Members of the Patit Pavan Sanghatana, a Hindu youth organisation, today made a futile effort to stop the car of Dr Farooq Abdullah, who was proceeding to attend the all-India youth convention.

About 150 volunteers of the organisation shouting anti-Abdullah slogans tried to break the police cordon near the Blue Diamond hotel. However, the police succeeded in preventing them from coming on the road till Dr Abdullah's car and the accompanying police escort passed the spot.

Later, the volunteers ran after the cars and滑 on the slippery road.

The police arrested Mr Pradeep Rawat and Mr Nitin Sontakke, leaders of the organisation and 133 others in connection with the incident.

Mrs Maneka Gandhi, leader of the Rashtriva Sanjay Manch, told the convention that the youth had a right to shape the things to come and take part in national reconstruction. She regretted that senior leaders did not take younger members of parties into confidence in administrative and political planning.

Referring to the decision arrived at yesterday by the top leaders of the BJP and the Lok Dal to form a national democratic alliance, she said she had asked the office-bearers of the youth wings of these parties who were present at the convention, whether they had been consulted in the matter. Mrs Maneka Gandhi said all of them had replied in the negative.

She alleged that senior leaders separated the youth by allowing the latter to form youth wings with no power to decide in party affairs. Hers was the only party that had no youth wing. Responsibility should be given on the basis of ability and not "on the number of candles on the cake," she said.

She regretted that youth invariably failed to rise against injustice and corrupt practices and cited the example of the Sanjay Gandhi Swavalamban Yojana in Maharashtra. Mrs Maneka Gandhi alleged that funds earmarked for the scheme had disappeared in six months with most of it going to the relative of MLAs and MPs.

The Sanjay Manch leader said youth wings of all parties should be disbanded and merged with the main parties.

CSO: 4600/1510

#### RESERVE BANK PLANS TO HIKE INTEREST RATE EXPLAINED

Bombay THE TIMES OF INDIA in English 9 Aug 83 p 1

[Text] Bombay, August 8--The Reserve Bank of India has decided to raise the cash reserve ratio (CRR) to be maintained by scheduled commercial banks from 8 to 8.5 percent with effect from August 27.

The RBI's step will impound about Rs 275 crores of bank funds. However, in the context of excess liquidity position of banks at present, a good growth in their deposits accompanied by slack demand for credit, particularly from the industrial and commercial sectors, banks may not find it difficult to meet this stringent CRR requirement.

As is known, the CRR of commercial banks has been raised from 7 percent in two stages--7.5 percent effective from May 27, and 8 percent effective from July 1. This was announced on April 30 when the credit policy for the current slack season (May to October, 1983) was announced by Dr Manmohan Singh, RBI governor.

The RBI governor has told banks that the decision to raise the CRR further has been taken in the context of "the significantly larger growth of primary money" in the current financial year and the need for a "further immobilisation of the excess liquidity" of the banking system, without hurting the utilisation of productive potential of the economy.

#### Adequate Credit

Dr Manmohan Singh has told banks that the proposed increase in the CRR must be clearly understood as one of an "efficacious smoothening of liquidity." He has pointed out that it is the RBI's assessment that the banks should have no difficulty in providing adequate credit to support and acceleration of output.

The banks have already met the one percentage point increase in the CRR in two stages by the end of July 1983, and also implemented the first phase of the inclusion of accrued interest in liabilities for the purpose of maintaining the reserve requirements.

In the current financial year so far (end-March to July 22, 1983), aggregate deposits of scheduled commercial banks have recorded a rise of Rs 3,808 crores against the net rise of Rs. 2,451 crores in the same period of 1982-83. Total credit has shown a net expansion of Rs. 1,643 crores (Rs. 915 crores). Food credit has increased by Rs. 760 crores (Rs. 698 crores) and non-food credit by Rs. 883 crores (Rs. 217 crores).

CSO: 4600/1510

INDIA

INDIA PLANS COMMERCIAL LOAN TO BANGLADESH

Bombay THE TIMES OF INDIA in English 17 Aug 83 p 5

[Text] New Delhi, August 16--India will extend a commercial credit of Rs 40 crores to Bangladesh under an agreement to be signed in Bombay shortly.

The trade implications of the Exim credit will be among the subjects to be discussed by the Indo-Bangladesh joint commission which is meeting in Dhaka on August 19.

The external affairs minister, Mr P.V. Narasimha Rao, will lead the Indian delegation. The joint commission will also discuss the question of extension of the Indo-Bangla trade agreement which is to expire in October this year.

Bangladesh has been complaining of the adverse balance of trade with India and the situation may be slightly eased with India's decision to buy newsprint, bitumin and urea from its neighbour. An agreement for buying 5,000 tonnes of newsprint has already been signed.

India, on its part, will supply 48,000 tonnes of coal, wheat seed and potato seed to Bangladesh.

Industrial co-operation is another major item on the agenda of the joint economic commission. A proposal for setting up a concrete railway sleeper factory in Bangladesh is being considered. There are proposals for setting up cement and sponge iron plants and the modernisation of sugar plants.

India would like to see if the commission could take a decision on the proposal for Bangladesh giving intransit facilities for the transport of goods from West Bengal to Tripura.

The commission will also consider the extension of the protocol signed last year on inland water transport and trade. A motor vehicle agreement is also to be considered by the comission. This will facilitate the movement of Bangladesh trucks into the Indian territory and the Indian trucks into the Bangladesh territory.

For this, road movement and terminal points will have to be located and routes specified.

The external affairs minister, during his visit to Dhaka, will also call on the chief martial law administrator, Gen Ershad.

Meanwhile, India is satisfied with the progress of the Joint Rivers Commission which will discuss all aspects of the augmentation of the Ganga waters. The next meeting of the Joint Rivers commission will be held in India.

CSO: 4600/1525

PARALLEL DRAWN BETWEEN KHOMEYNI, CENTURIES-ONE ERA

London AL-DUSTUR in Arabic No 296, 25 Jul 83 pp 22-23

[Article by Dr 'Ali Nurizadeh: "The Iranians Remember Prince Hamid al-Din"]

[Text] Shaykh Farid al-Din 'Attar al-Nishapuri, author of "Mantiq al-Tayr" (Logic of the Birds), relates in one of his poems the story of Prince Hamid al-Din who ruled Nishapur in the 4th century A.H. He says the prince was a tyrant unequaled in his harshness. The people of Nishapur prayed to God night and day to take his bloody soul!

When the prince became 60 years old, the situation reached the stage where his five sons whispered and asked one another how to get rid of their tyrannical father. The prince knew what his sons were saying when they were alone and what was said about him in private gatherings.

One day Prince Hamid al-Din summoned one of his favorite viziers and said to him: "I know the people do not love me, in fact they hate me, but I am surprised at the opposition of my sons to my rule. They do not know the people will kill them the day I die and no one will remember that they used to criticize me in their private gatherings. I should like, therefore, to teach them a lesson they will never forget. Tomorrow I will remain in bed while you go to my sons and tell them I am close to death. Then ask that they choose one of them as my successor.

The next day the vizier went away and while the prince remained in bed, the news of his death reached his sons as well as the people. As the prince planned, the vizier met with his sons and asked them to choose a successor to the prince who was lying on his death bed. Within minutes the sons were quarreling among themselves and in less than an hour one of them killed all his brothers, took the royal crown and put it on his head. To make sure of his father's death, he went to the prince's room and when he saw him sleeping in bed, pulled out his sword and killed him. As soon as the vizier learned what one of the prince's sons had done, he went to the public square and cried out: "O people of Nishapur, your prince was killed by one of his sons. This wicked son also killed his brothers and now wants to rule over you. Rise up and take revenge on him."

The story of Prince Hamid al-Din ends with the people deciding to execute his son in the public square and choosing the vizier as their ruler.

What is now happening in Iran does not differ from the story of Prince Hamid al-Din. The only difference is the intensity of the people's hatred of the ruler. Also, the story of Hamid al-Din takes place in the city of Nishapur. Now in the Islamic Republic there are 38 million Iranians suffering from a corrupt and bloody regime. Millions of Muslims have to endure the wickedness and viciousness of the ruler of Iran. They are awaiting the end of the man who wears the garb of religion and Islam but has betrayed Islam and betrayed the people. The question is how will the story of Khomeyni end and what will his regime be like when he is gone, especially after the Council of Experts began its meetings last week to appoint a successor and it was announced that Khomeyni's will had been sent to the council.

We must begin by reading this play, that is, the play called "What Comes After Khomeyni?" and get to know its protagonists.

The formation of the Council of Experts was no accident, especially at a time when the people are screaming in the streets and showing their hatred of Khomeyni and his regime. By forming the council Khomeyni wanted to inform the people that his life will soon end and that they have to wait a little while without risking their lives in demonstrations. Khomeyni also wanted the people to ask God to have mercy upon him out of respect for his old age and decrepitude and show them what might happen if there were no struggle for power among the pillars of the regime. Consequently, they would find out what is going on in the minds of his associates who are playing the role of the sons of the ruler of Nishapur in the story of Shaykh Farid al-Din 'Attar. Let us suppose that Khomeyni who ordered the killing of 100,000 Iranians and imprisonment of hundreds of thousands of others dies a natural death without punishment. What would happen? Who would succeed him?

The foundation and essence of the Iranian regime rests on the "Shi'ite imamate" or "theocratic rule." Theocratic rule, as defined by Shaykh Muhammad Baqir al-Majlisi, author of the book "Bihar al-Anwar" (The Seas of Lights) and quoted by Khomeyni in his book "Yelayat-e Faqih" (Theocratic Rule) requires the following: "In the days of the great absence, that is, in the absence from view of the imam, the promised mahdi, his deputy al-wali al-faqih is to take charge of the government and his orders are to be obeyed as though they were the 'orders of the awaited imam.' He cannot be dismissed from his position and if he dies without a successor to continue to rule after him, one of two things can be done: either the most expert faqih is to be chosen al-wali al-faqih or the people are to be given the freedom to choose their faqih. In this case, the affairs of the government can be entrusted to a committee, council, lay person, or military man on whose choice as ruler the majority of the learned men of the time agree."

This is what Muhammad Baqir al-Majlisi says in his book on the subject of "Velayat-e Faqih" in the 4th century A.H. But is it possible to achieve in Iran today what al-Majlisi said 5 centuries ago? Who is the person whom the learned men have agreed to choose as al-wali al-faqih or ruler of Iran? Here we must clarify the status of some of those who dream of leading Iran after the death of Khomeyni.

Shaykh Hoseyn'ali Montazeri, a 60-year-old student of Khomeyni's and a professor of Shi'ite jurisprudence in the Qom theological institute, has been called a possible successor to Khomeyni for the past 4 years. Despite the attempts of Khomeyni and some of his staff to promote Montazeri to the rank of great ayatollah, none of the great ayatollahs has acknowledged Montazeri's greatness. Most religious leaders regard him as a "village mullah" who came to the city to buy a donkey and bought a lottery ticket instead. The lot was cast, his number won, and he became an ayatollah.

Although his name is mentioned in the regime's newspapers and radio-T.V. broadcasts alongside Khomeyni's and in a more prominent place than that of the president of the republic or president of Parliament, the people do not take the matter seriously. They sometimes call him the "fat cat" which actually is an insult to one of the leading characters in the cartoon movie "Pinocchio" and sometimes call him "Imam bear" because of his great love of honey.

This is the man who did not know the difference between a PhD and a BMW car. He has little chance of becoming a successor to Khomeyni, a man who knew in his lifetime how to act as a leader and how to change the subject when he knew nothing about it.

The second man is 'Ali Khamene'i, president of the republic, 47 years old, is more knowledgeable than Montazeri. He is familiar with modern life. He is among those preparing for the succession to Khomeyni. He is supported in this by a group called the Khatt ol-Emam, a group that came into being when 90 young men and a girl occupied the American Embassy in Tehran, seized the American diplomats in November 1979, and announced they were a group of students following the Khatt Ol-Emam (the Imam's line). The group subsequently increased in size and six members now hold ministerial posts, 13 have the rank of deputy minister, and 70 sit as deputies in the Islamic State Council.

The Khatt ol-Emam group was the most powerful group in Iran before the Communist Party leaders and rank-and-file were jailed and the party, unofficially allied with the Khatt ol-Emam, was dissolved. But now, despite the support of Khamene'i and his prime minister, they are not as powerful as they were 5 months ago. The Khatt ol-Emam relies on the support of the Revolutionary Guard, but because of the inclinations of the Revolutionary Guard's leaders who favor the opposition line, that is, the Hojjatiyah group, Khamene'i will not have sole power after Khomeyni's death, especially if views become set on choosing a man of religion as al-wali al-faqih, because he does not possess the necessary qualifications, for example, old age, until he acquires the title of great ayatollah and is accepted by the religious leaders. The people know that Khamene'i is not so much a man of religion as he is a man of the world.

The third person is 'Ali Akbar Baharmani nicknamed Hojjat ol-Eslam Rafsanjani, president of the Islamic State Revolutionary Council, 43 years old. This means he is quite young and no one will accept him as al-wali al-faqih, especially since he attended religious schools for only 5 years. He was head of the board of directors of a contracting company in the days of the Shah. He was also in charge of exporting pistachio nuts from his private farms in the town of Rafsanjan located in Kerman Province. In other words, Rafsanjani was a merchant who changed his business from pistachio nuts to politics. He lied in the days of the Shah to those with whom he dealt and he lies now to the people who face the regime every day.

Rafsanjani relied on the support of the Hojjatiyah group, but now after some disputes arose between him and the leader of the Hojjatiyah Mahmud Halabi al-Khorasani, Rafsanjani will be unable to build his future on the support he needs.

Shaykh Mahmud Halabi who heads the Hojjatiyah is an intelligent old religious leader who greatly resembles Jamal al-Din al-Asad Abadi nicknamed al-Afghani. He differs with Khomeyni on the question of "rule," believing that "rule is the official function of the imam of ages, that is, the promised mahdi, and that no one has this function when the imam is absent. We must be patient until the mahdi appears, at which time the Islamic government will be established in the world and injustice and corruption will end."

Shaykh Mahmud has clearly told his followers that "the Islamic Republican regime is only a faulty model of the Islamic government and that Khomeyni and his regime are probably an imposter government."

Five ministers, 60 members of the Majlis, and most of the Friday prayer leaders and Shari'ah judges belong formally or informally to the Hojjatiyah group.

Despite Shaykh Mahmud Halabi's unwillingness to assume power when Khomeyni dies, his followers will not let this opportunity go to the Khatt ol-Emam group.

The fourth person is Ayatollah Mohammad Reza Mahdavi Kani, the first chairman of the revolutionary committees, member of the Revolutionary Leaders Council, former prime minister, and president of the Council of Experts to appoint a successor to Khomeyni, is popular among both conservative and liberal religious groups like the group of Bazargan, Khomeyni's first prime minister. Mahdavi Kani and Shaykh Mahmud Halabi, leader of the Hojjatiyah, have also been linked together for a long time by brotherly and friendly ties. But Mahdavi Kani does not have any power with which to combat the Revolutionary Guard or the army. No one knows what the inclinations and tendencies of the Revolutionary Guard itself will lead to. Some support the Khatt ol-Emam while others support the Hojjatiyah. Moreover, among the guards are nationalist and religious tendencies opposed to those of the regime.

Besides the above four men there is Musavi Ardabili, president of the Supreme Juridical Council who, according to the constitution, will be temporarily in charge if Khomeyni dies until al-wali al-faqih is chosen. Some wonder whether Ardabili will relinquish power to someone else once he has tasted it.

In addition to the foregoing, there are four great ayatollahs: Golpayeghani, Mar'ashi Najafi, Shari'atmadari, and Tabataba'i Qomi, even though the latter two are under house arrest. However, the regime's backers know that when Khomeyni dies, it will be impossible to keep the news from them or force them to remain silent.

Through his 9 million Iranian followers in Azerbaijan, Shari'atmadari can raise his voice over all other voices.

And we must not forget the army.

After 4 years of the Khomeyni regime, the army holds the last cards in the power game. There are 300,000 officers and soldiers with their patriotic feelings who are waiting for the zero hour. If they realize that zero hour approaches with the death of Khomeyni, the communique number one will be announced.

This is a brief sketch of the situation that will prevail in Iran upon the death of Khomeyni, a man whom fate chose to play the role of Prince Hamid al-Din at the end of the 20th century.

5214  
CSO: 4604/36

PREMIER DISCUSSES VITAL ISSUES WITH KUWAITI MAGAZINE

Tehran ETTELA'AT in Persian 5 Sep '83 p 3

[Interview with Prime Minister Engineer Mir Hoseyn Musavi by Kuwaiti magazine SOWT AL-KHALIJ; date and place not specified]

[Text] The Kuwaiti magazine SOWT AL-KHALIJ recently held an interview with Engineer Mir Hoseyn Musavi, the prime minister of our country. In the introduction to this interview, the magazine writes:

In a brief period of time, many positive changes have been observed in the foreign policy of the Islamic Republic of Iran. These changes have been evident in the positions of Iran regarding many issues concerning the (Persian) Gulf, the Arab world and the international scene, which, undoubtedly, reflect the stability and power of the internal front of the Islamic Republic of Iran. In an interview which we held some time ago with Mr Seyyed 'Ali Khamene'i, the president of the Islamic Republic of Iran, we felt that there were many reasons for the above-mentioned changes.

SOWT AL-KHALIJ magazine also held an interview with Engineer Mir Hoseyn Musavi, the prime minister of the Islamic Republic, in which the internal situation and Iran's foreign relations are explained.

The complete text of this interview, which has been translated by the foreign service of ETTELA'AT, is as follows:

**Violence in the Revolution**

Question: The opponents of the Islamic revolution in the country accuse the revolution of violence and cruelty, whereas the supporters of the revolution claim that the revolution does not take a strong hand regarding the opposition. What is your view in this regard?

Prime Minister: Our dealings with the enemies of the revolution are not subject to our likes or dislikes. We have principles and laws stemming from Islamic law. Our revolution is based on Islam and we believe that Islam is truth itself. Since it is the truth, the confrontation of its enemies is legitimate. Of course, we respect the feelings, human sentiments and thoughts of others. For this reason, we do not try to hide the views and sentiments of others even if they are contrary to Islam. We allow them to realize their mistakes with the passage of time. For this reason, we occasionally remain silent for a long time regarding the political activities of some of the groups and parties that oppose Islam or are deviant. But what is unacceptable to us is conspiracy against the revolution and its fruits, because our nation has achieved this revolution with its blood. We do not accept conspiracy and terrorism and confront them strongly. If decisiveness is called for, we do not hesitate even for one moment and if we engage in such an action, we do not try to hide it, because we have no fear of anyone but God.

We stood decisively against the hypocrites who began to engage in conspiracy and terrorism as we did against the Tudeh Party. We do not hesitate to face those who threaten the revolution.

#### Difficulties Resulting from the Revolution

Question: Some believe that a revolution brings about problems and adds to the opposition front but that such problems can be avoided. What is your view in this regard?

Prime Minister: From the first days of the victory, the revolution declared its aims and continues to insist on these aims. Among them, for instance, is the retrieval of the rights of the oppressed of the world. Some governments have shown sensitivity regarding this issue. In order to decrease such sensitivities, we would have to retreat from our declared principles, which we absolutely refuse to do.

We are sure that any deviation from our revolutionary goals will meet with the praise and approval of the present regimes and will be welcomed by the global propaganda organizations. But we insist on our goals and will not deviate from them even a jot. We will follow our path to the end at any price. Naturally, the above-mentioned goals pose certain problems for us at the present time, but in the far off future, it will be proven that our revolution is a universal revolution defending the rights of the oppressed everywhere.

#### The Role of the Islamic Republican Party

Question: Recently, the Islamic Republican Party held a general assembly of its members. In this assembly, what issues were

discussed and what is the role of the Party in determining the policies of the country?

Prime Minister: In its recent meeting, the Party discussed numerous issues, including the possibility of using some of the expert, competent cadre of the Party for service to the society, studying the internal situation of the Party, the expansion of the Party's activities among the people and the formation of the central council of the Party.

But, concerning the influence of the Party on the political scene of the country, I must say that the Party is now the strongest existing political organization in the Islamic Republic. In my opinion, this Party is the first organization of its kind in the world, because it was able to revive the role of the leadership of the clergy, which existed only during the first hundred years after the advent of Islam.

We believe that the reason for the failure of the Constitutional movement in Iran was that this movement fell into the hands of a non-Islamic political organization aligned with the British. For this reason, today, we emphasize the strengthening of the role of the clergy in the revolution.

Of course, the Party has a practical role to play in the administration of the country. Several of the Party member ministers are part of the Cabinet and I, personally, am a member of the Party. Previously, I was the chief editor of the ISLAMIC REPUBLIC newspaper (the Party organ) and am now in charge of the political office of the Party.

#### Weakness of the Air Force

Question: It has been observed that the Iranian Air Force has become weaker. To what extent has the war weakened the Iranian military forces?

Prime Minister: The above-mentioned weakness has nothing to do with a shortage of manpower, but of additional spare parts. However, the situation with regard to the Air Force is not as bad as some might imagine. Following the efforts of the engineers and experts of the Islamic Air Force, if not in excellent shape, it is in a good position. The proof is in the inability of the foreign air force to cross our air space. If the situation were as some imagine, our skies would now be filled with enemy airplanes.

#### Rumor Concerning the Purchase of Arms From Israel

Question: Still, some claim that you receive arms from Israel. Do you have any proof to the contrary?

Prime Minister: It is not we who should be asked for proof, because we have not claimed anything that we need to prove. It is our enemies who accuse us.

They must offer proof of their claim. Since I have been minister of foreign affairs, they have been playing this very disharmonious tune, but they have presented no proof so far. Does this in itself not prove that they are lying?

The whole world knows our position regarding the Palestinian issue. Although we have not had the opportunity to confront the Zionist regime directly, our policies and our anti-Zionist actions are so clear that even those who do not wish us well cannot deny them.

Our anti-imperialist, anti-U.S. position is also clear and we went so far as to occupy the U.S. embassy with our students.

On the other hand, the United States engages in such hostility against us as a military attack in Tabas. Despite all this, could there be a wise person who would believe the claim concerning Israeli weapons sent to us?

No matter how much noise the mass media of the oppressors makes, it will not be able to deceive the nations and it is the nations who are important to us. But U.S. imperialism, its Zionist allies and those who escalate such rumors will sooner or later realize that the time for deceiving the nations has passed.

#### Relations with Persian Gulf Countries

Question: The relations between Iran and the countries of the Persian Gulf region have suffered from many doubts and suspicions. What are the factors in this situation and what is the solution?

Prime Minister: Undoubtedly, we should not be criticized for this phenomenon. The world powers, whose hands we are trying to stop in the region, are themselves responsible for the relations between Iran and the countries of the Persian Gulf region. The world powers, who are horrified at the very thought of the improvement in relations between Iran and its neighbors, try to prevent such improvement of relations by any means at their disposal: At times they resort to pressure tactics, sometimes to frightening the Persian Gulf countries of the Islamic Republic as well as to other means.

Our nation has many times extended a hand of friendship towards its brothers in the Persian Gulf, but, unfortunately, it has not been met with an appropriate response. Of course, there have

been positive reactions, but they have not been at a desireable level. Of course, the nations are not at fault in this regard.

#### Proposal of the Prime Minister

Question: What do you propose to your brothers in the Persian Gulf to eliminate such doubts and suspicions?

Prime Minister: We have previously offered our suggestions in this regard and we have nothing new to add. But our understanding of the situation can be summarized as follows: In order to achieve stability in the region, the domination of the foreigners in the region should be ended. On the other hand, the countries of the region should avoid conflicting policies in their foreign relations. For instance, some of these governments provide all of their port facilities for ships which carry the arms of our enemies and, at the same time, propose to mediate in the war. How could we accept their mediation?

#### Our Relations with the Arab Emirates

Question: Iran's relations with the United Arab Emirates is quite good. Why is this example not repeated in relations with other countries in the Persian Gulf region?

Prime Minister: From the beginning of the revolution, the leadership of the country demonstrated its good intentions towards the neighboring countries and announced that the policy of Iran is based on keeping foreigners out of the region and achieving peaceful coexistence and fruitful cooperation with the nations, which are not in the best interests of the great powers. As long as the great powers have levers for imposing pressure in the region, this issue will not be achieved.

The government of the United Arab Emirates has thus far shown much understanding and cooperation in this regard and our relations with them are good and expanding. Of course, the positive point must not be forgotten that the government of the United Arab Emirates does not have common borders with countries which prevent such good relations (as is the case with Kuwait).

#### Persian Gulf Cooperation Council

Question: What is your position in regards to the (Persian) Gulf cooperation council, which has been created to ensure the security of its members?

Prime Minister: If the goal of the Arab countries of the Persian Gulf is only to achieve peaceful coexistence among its nations, the formation of this council seems sufficient. But if the aim is to achieve peaceful coexistence with all the nations of the

Persian Gulf region, this plan must be expanded and completed. And it will be incomplete without the participation of the Islamic Republic of Iran, as the most important and strongest country in the region. Any movement of this kind will not be neutral and, should a war occur, would be drawn to one side or another of the conflict.

#### The Issue of Lebanon

Question: What is your position regarding the issue of Lebanon, particularly after the signing of the Lebanon-Israel agreement?

Prime Minister: Our position in regards to this agreement is clear and has been announced.

We rejected the above-mentioned agreement decisively. We believe that many agreements of this kind, which have been signed under similar conditions, have often presented no solution because cultural and deep-rooted differences cannot be resolved with the signing of a few sheets of paper. Conflicts are rooted deep in the psyches and feelings of nations and remain alive. The Lebanese nation that sees its honor and prestige being trampled will not accept the signing of an agreement which has been carried out by the government of that country without consultation with the nation and under U.S. pressure.

Undoubtedly, the so-called Lebanese agreement with the Zionist regime is condemned to fail and the possibility for its implementation does not exist unless the realities of the region change, which seems unlikely.

For instance, the Palestinians who live on the occupied lands have not stopped protesting after 30 years since the occupation of their country and live in a revolutionary state.

#### Advantages and Disadvantages

Question: Sometimes, in an attempt to stain the names of revolutions and revolutionaries and in order to create enmity and hatred in public opinion, great powers take advantage of revolutionary concepts, such as revolutionary violence (for example, the explosion of the U.S. embassy in Beirut). How do you evaluate the advantages and disadvantages in such incidents?

Prime Minister: Firstly, the United States, which engages in cruelty and pressure against nations, must expect such blows by nations which have been trampled by the United States and want to defend their honor and prestige.

When nations engage in such actions, they have their great goals and wishes in mind and do not worry about trivial issues such as the reaction of the press and public opinion.

On the other hand, revolutions and revolutionaries do not place much value on the press and public opinion and do not attempt to satisfy them, because under present circumstances, there is no hope for reforming the global mass media. Public opinion also does not place much importance on issues concerning the liberation of nations. The best proof is the slaughters in the Sabra and Shatila camps.

What reaction did public opinion demonstrate in regards to the heinous slaughter which included thousands of innocent civilians of our Palestinian brothers?

Correspondent: After the question asked by Mr Musavi, we end our interview, which has lasted more than the appointed time, and the prime minister of the Islamic Republic of Iran sees us to the door with a kind smile and says:

I plead for your prayers.

10,000  
CSO: 4640/346

EDITORIAL ANALYZES 'KREMLIN'S SHATTERED MASK'

Tehran TEHRAN TIMES in English 31 Aug 83 p 2

[Article by Ali Zulfiqari: "Kremlin's Shattered Mask"]

[Text]

"I BELIEVE today that the Soviet Union is a Super-power that seeks to dominate the world. It is only in the ways in which it carries out its plans for achieving this domination that it differs from the US . At times it supports liberation movements and at other times it uses its affiliated parties like the Tudeh, and at other times it directly uses military force as it now does in Afghanistan seeking to wipe out any force trying to resist its domination over the country. This is what I think of Russia today."

These are the words of a veteran Communist and the former secretary general of the defunct Iranian communist party, the Tudeh. The confessions of Mr. Kianouri and his opinion about the Soviet Union are not anything new to those who have known the ugly face of Communism Russia, a face that it seeks to hide behind an ideology that claims to support the struggle of the oppressed, deprived and the exploited of the world. What is new is that the confessions of Kianouri amount to a direct admission of guilt and failure and hypocrisy by the Kremlin and the leaders of the Soviet Union.

These words of confession should serve as an eye opener for those unfortunate groups in the Third World who have been lulled into deadly sleep through opiate administered by Moscow agents. The truth of the matter coming from a man who for 42 years has worked in close collaboration with his Russian comrades and served Soviet imperialist interests should serve as a siren of danger for those who continue to be deluded by the hypocritical "anti-imperialism" of the Russians.

The aggression against Afghanistan, more than Kianouri's statements, serves as an eye-witness to the ugly reality of the Soviet policies. However, what emerges from Kianouri's confessions is that such predilection for aggression and domination is not a recent phenomenon of the Soviet policies. The Soviet

Union has always been as predatory as it is today and it has always been a predatory power in spite of its "revolution" in 1917. It is, notwithstanding the revolution, a direct successor of the predatory regime of the Czars and a continuation of it.

Marxism as an ideology has not discouraged the Soviet regime from adventurism and predatorialness that supposedly characterizes only the capitalist imperialists. It has merely served to dress a Superpower in a cloak of hypocrisy that is not available to the capitalist imperialist powers. It offers the Soviet Union the opportunity of committing aggression in the name of "revolution" and ideology, of creating discord in all corners of the world in the name of improvement of the lot of peasants and workers, of mercilessly massacring thousands upon thousands of innocent men, women and children in the name of fighting "reactionary" forces as it is presently doing in Afghanistan.

However, with the march of time, Moscow's cloak of hypocrisy has been shred to pieces and the world today has seen the ugly countenance behind the iron curtain of a deceptive ideology that serves as a channel for the Kremlin's imperialist designs. Today the Soviet Union, together with the US and other vicious Superpowers, stands as the greatest hurdle in the way of true progress of humanity towards freedom from oppression, aggression, injustice and paganism. The ugly example of the Soviet Union goes a long way to prove that today Marxism with all its various brands, together with the various brands of Western capitalism, are the two great evils in the path of upliftment and edification of humanity. When this realization grows amongst the ranks of the world's people, the struggle against the satanic power of the Kremlin will not be confined to the Moslems of Afghanistan.

CSO: 4600/887

## TUDÉH LEADER 'REVEALS' MORE ON SPYING FOR SOVIETS

Tehran TEHRAN TIMES in English 28 Aug 83 pp 1, 2, 4

[Text]

**TEHRAN** — Nuredin Kianouri, boss of the Iran Reds, who were conspiring against the Islamic Revolution in the name of now defunct Tudeh Party appeared yesterday evening on television and confessed a number of crimes which so far were known to many.

Pro-Soviet Union Tudeh Party Secretary General Kianouri appeared on television and talked to the interviewer and appeared quite composed, smiling at times. He denied the reports cooked up by the Soviet and Western media to say that he was tortured during detention.

London's Daily Telegraph last June even reported that Kianouri had been executed in Evin Prison.

Kianouri, 71, appeared on the television for the first time last April 30. He was arrested last February 6 along with several other members of his defunct Tudeh Party on charges of spying against the Islamic Republic of Iran and for the Soviet Union.

Following are excerpts of his interview:

"My motive in participating in this interview," said Kianouri "is to explain the reasons as to why our party ended up in treachery against the people. In these few months that I have been in jail I have had the opportunity to think over the reasons and now

I would like to share - them with the people."

"In general there are two ways to bring about a revolution. First, was the way of the Islamic Revolution of Iran. Second, the way that all the Marxist forces including our party would have taken.

"Nobody can ever imagine such a great victory for the Islamic Revolution. However, the other way which was started some 60 years ago and as I myself remember, some 42 years ago in our country, is the way of Communism.

Now I would like to discuss the characteristics of these two ways and the results obtained. I wish I can make clear these points to those who still think in the way I did until six months ago.

"I am certain that my previous interview has served to bring about a change in the mode of thinking of the members, of my party, but if there are still people who have not yet fully realized what has happened I wish to help them to comprehend the realities.

"In this history of the struggle of the militant Shi'ite ulama in contemporary history must be looked at. I think the fact that religious leaders Imam Khomeini and his followers preached and propagated revolutionary Shi'ite ideology, which indeed extensively encompasses all pro-

blems in today's world, has been mainly responsible for the failure of Marxism in Iran.

"I understood in a very brief study that Islam and especially the history of the struggle of Shi'ite Ulama and the principles of Shi'ism has been the main cause for the failure of Marxism in Iran. Marxism in fact has nothing in it which is not included in the teachings of Islam. That is why it has no soil on which to grow except among a group of well-off people or among a certain class of workers who are well-off as well.

"If what I know now of Islam and its beliefs, would have been known by me some four or five years ago, I would probably be not in the position I am in today.

"I have myself heard on foreign radios that the confessions of the Tudeh Party leaders have been made under the influence of drugs or mind-bending chemicals, or that, we have been tortured by American, British or Mossad experts, or made to suffer other inhuman and abnormal pressures. I want to emphasize here that I took part in that first interview only out of an honest urge within me to confess and thus help others realize the truth. It is of course the same with this second interview of mine and my motive remains just the same.

"I have come across realities which cannot be denied and I have sought only to bring them to the attention of others. There has been no pressure on me at all and I also would like to thank the Guards in the jail who really have treated me in a most pleasant way and exactly in accordance with what Imam Khomeini has prescribed as being Islamic ways of treating prisoners.

"Now I want to argue part of the history of the party. These are the points which clarify the mechanism of how our party turned out to betray the Iranian nation.

"Our party is a continuation of Iran's Communist Party which was founded in 1921 and dissolved subsequently but whose path was taken up by the well known 52-man group headed by Dr. Arani. Members of this group were arrested and those belonging to it who were later released from jail established the new organization under the name of Tudeh Party.

It is of course a fact that our party came into existence in the lap of Russia and was, right from the beginning, affiliated to Russia. I must say that since the very first days, we had no independence in our decision making. Note that our party was officially founded when the Allied armies were in Iran.

"I sensed from the beginning that there were four diseases and policies in our party which proved eventually to be the reason the party ended up in betraying the Iranian nation.

"First, it was our dependence on Russia in all aspects of political, ideological and practical functioning in which our relations were that of master and slave.

"The second, was our lack of knowledge on the real nature of Iranian society. Both leaders and the members had never a deep and genuine knowledge of our community

and knew foreign communities better than Iranian society. We did not know the Iranian farmers and workers for whom we were supposed to work. They had their own beliefs, faiths and wants. This was one of the greatest diseases of our party.

"Thirdly it is our fault that we tried to seek solutions to the problems of the Iranian masses by adopting an alien ideology which could never fit Iranian society.

"The fourth disease was the cult of self-egoism which existed among the leaders of the Party and which persisted to the very last days.

"These deficiencies led us astray over the last 40 years and led us to betray the Iranian people—and commit acts of treason, some of which I would like to point out here.

"The first of such acts was our support on the grant of concessions of northern oil to Russia. It was indeed a disgraceful act of our party and we did it only because we had heard that the US had earlier asked the Iranian government for the same concessions.

"While our party members in the Majlis openly announced at the time that the Tudeh Party was totally against any concessions to be granted to foreign powers, only in a matter of two months our party took to the streets demonstrating that the northern oil concession must be granted to Russia. We did it only because of our subservience to that country.

"We could not even understand that the very word "concession" was abominable to the people; that the Iranian people had in the last hundred years and during the time of dictator Nasereddin Shah bravely fought the government under the leadership of the Ulama against granting concessions to exploit Iranian tobacco to an English company. Thus we failed to note that this word had the same meaning as that of servitude in the minds of the Iranian people.

"The leaders of the party would at that time justify the case by saying that Russians were only trying to defuse the US plot in this regard. However, the events that followed proved that Russia was actually keen on the concession. The issue of formation of the Democrat Party by them in Azarbaijan which sought to separate that province from the country, is evidence of such a claim.

"History has proven that only to win the concession, Russia had brought the Democrat Party to power in Azarbaijan. The Tudeh branch Azarbaijan joined the Democrats in the province even without the knowledge of the party leaders.

"The consequences of the Azarbaijan issue that led to the formation of the Democrat Party in Kurdestan are not hidden from anyone. These events were only in accordance with the foreign policy of Russia in our country at the time and left another disgrace marked on our party.

"Today, we realise just as we had understood before as well, that the coming to power of the Qawam Cabinet was in keeping with the policies of the U.S. and Britain. Still, we took part in this Cabinet with the permission of Russia, of course. It was certain that with the exit of the Russian army from the country, the Democrats could never hold on and this had been agreed between Russia and the then prime minister Qawam. However, the southern oil was at the disposal of the West and if the Northern oil would have been granted to Russia, it would only add to our problems and this was nothing other than exploitation of Iran by big powers.

"After the Democrats were demolished by the Shah's regime, our party too, lost its position across the country. It is regrettable that we failed to take any lessons from such historical events. Later, the invading force and imperialist

invasion and an anti-revolutionary attack against its territory. We, however, supported the Islamic regime when the war broke out. We dispatched our forces to the fronts and enrolled them in mobilization forces. Then we received a bit of information from Moscow that Saddam had contacted Bakhtiar (the last premier of the Shah) and the latter had travelled to Baghdad. There Saddam had told him that the south of Iran including the oil rich regions, would soon be freed and that he (Bakhtiar) could head the government which was supposed to be formed with the help of all anti-revolutionary forces, in that area. Saddam, said the Russian report, had assured Bakhtiar that all the Arab countries would instantly grant his would-be government recognition and that the US too, would recognize it in a matter of two months. Well, this is a very hot piece of information revealing that Iraq was only intending to topple the Islamic Republic regime, while Saddam had claimed he was only after the three Persian Gulf islands and the Arvand Rood water way.

"At that time we in the leadership of the party and other members expected that Russia, owing to its official evaluation and support of the Islamic Republic as an "anti-imperialist regime", would at least condemn the Iraqi invasion of Iran in the Security Council of the U.N. and that it would propose a resolution to the Council in which it would ask for the withdrawal of Iraqi forces and settlement of the dispute through negotiations.

"This was what socialist countries usually did whenever an anti-imperialist country, or a moderate one was invaded. However, in spite of our expectations nothing of the sort took place. Russia only considered it enough to declare its impartiality in the war and even in the first year

of the war, when Iraq was holding important parts of the Iranian territory, it continued to remain "impartial."

"But we also witnessed that when Islamic Iran organized its forces and mobilized to inflict the retaliatory blows upon Iraq which led to immense victories in Khorramshahr and other fronts, the Russians resumed, or increased their arms exports to Iraq.

"As we see, the arms delivered to Saddam's regime are not defensive, rather they are offensive including the missiles with which Saddam's forces embarked on most egregious crimes against Iranian civilian people. But even in the face of such crimes by Saddam, Russia chose to remain beside him and his supporters, seeking not to allow the Iranian Islamic Republic to win its war in rightful defense.

Well, my views on this issue was one of the crucial factors, which left a great impression on me and caused me to change my stance. However, when we felt that Russia did not want Saddam's regime to be toppled by the Islamic Republic and that they sought end to the war, we too brought up the issue of "end to the war" in our publications. By this we committed another act of treason. While the Imam stressed that the most important issue of the country was the war and while the people of Iran across the country chanted slogans of 'War, War till victory,' we put forward proposals for ending the war.

"Who were the ones who asked for the termination of the war? They were only the subversive groups to the Islamic regime, the affiliated governments in the region. Saddam and all other rightist forces. Regrettably, we too had attuned ourselves with such forces. It was just another consequence of our affiliation to Russia that made us take such a treacherous stand.

"Now it is time to discuss what was the real intention of our party in taking such steps. At least today, we may be truthful and admit explicitly that our ultimate goal was only to ascend to power in the country by any means and at any cost. It would not matter to us whether we could gain power in the whole country, or only in a small part what we wanted was to come to power and that was all that mattered to us.

However, such an objective is of course the ideal of every political party and the Marxist ones in particular. That was the main direction along which we moved regardless of what we had to do to achieve it. Whether we had to commit this or that crime, this or that act of treason, embark in open or clandestine means did not much matter. All that mattered was subversion to topple the Islamic Republic eventually.

"Of course we were certain that as long as the Imam was there, such an objective would be impossible to realize. But we still thought we would be able to achieve it when a social crisis sweeps across the country due to internal, or foreign factors. I must say that we took measures to bring about such a crisis as well.

"We tried to weaken the Islamic Republic and intensify the differences even among the followers of Imam's line whenever and wherever there was an opportunity to do so. We would always magnify minor social and economic matters. We tried to distort the Islamic Republic's policies by pushing it toward independence on the socialist camp and Russia in the first place. While we knew that the Islamic regime oppose sending students to socialist countries. We, nevertheless whenever we could, sent students to such countries. One of them was my own grandson whom I sent to Moscow for studies.

"We also tried to impose our views on various matters in the country through agents we had in organs. These are only part of what we would have done in the direction of either pushing the Islamic Republic towards a socialist camp, or totally toppling the Islamic regime if we could.

"Regarding my view about Russia today, I must say there are two factors involved in my shaping of this view. One is the way Russia treated our party which had made every effort in the direction of its policies in Iran. They (Russians), went to the extent even of asking us to supply them with special military intelligence information. While we were related to Russia and actually believed in it to the extent of going so far as to involve ourselves in espionage, we witnessed that they placed no value upon our party.

"It was no simple act to gather military information for Russia. We had to spend immense effort to place our agents here and there, to find information and thus we needed to take great risks. I do not believe that Russia, owing to its vast experience in gathering such information, was unaware as to what would happen to the Tudeh Party when the matters would be discovered. The outcome would be of course be nothing less than what has today happened to the party, which is now stained with a mark of disgrace which cannot ever be taken off its record. This shows that they only thought of their own interests with no concern for our fates.

"The second issue which greatly affected me was the issue of the war. While Russia had labelled Saddam's adventurism "an imperialist invasion," it also supported it later and made efforts to save him and his regime thus acting in the direction of all imperialist forces, the forces whose only intention is nothing less than total destruction of Islamic

Iran as a great force which is strengthening all the anti-imperialist movements, not only in the Islamic sphere but throughout world as well.

"I remember how the Nicaraguan leaders expressed their feelings on the inspiration they had derived from the Islamic Revolution in the course of their Revolution. Now how is it possible for us to justify the moves of Russia? I believe today that Russia is a big world power which seeks to dominate the world. It is only the ways in which it executes its domination that differ from those of the U.S. At times, it supports liberation movements and at other times they use their affiliated parties like our party and at times it directly uses military forces as it is now doing in Afghanistan, seeking to wipe out any force trying to resist its domination over the country. This is what I think of Russia today.

"However, my first intention was to share the results I had come to with the Iranian people. But in particular I addressed the Tudeh members who may still be in the same position we were some six months ago.

"I ask the young people who may still hold on to our previous views to take this matter very seriously. They should not ever think that we have come to these conclusions under pressure. I ask them to think seriously and even if they may now look at us with hatred. I insist that they must contemplate deeply on the issue. They should think and discuss why we have actually ended up where we are now. Before anything else, I ask them to take effort to know their society. I must say that in the party's teachings there was no trace of Iranian history to be found. It is gravely regrettable. I ask them to think over and over on what I and other officials of the party have brought up in these interviews. This is the only way that may enable them to do

something positive. "The revolution in Iran is still involved in many problems. It is not yet over, nor has been yet materialized in many of its aspects. The Imam and other leaders have repeatedly expressed that there are still many problems which remain to be solved. These problems must be solved. The foremost among them is the issue of the imposed war. Imperialism will not leave the Islamic Republic alone. It will come out with a new plot each day. It will try every possible way to either distort the Islamic Revolution, or dominate it one way or another.

"It is then dutybound on all those who call themselves Iranians, to gain everything they have in this land, to employ whatever they have in the direction of service of the deprived and oppressed people. If there are people who may not have religious commitments they can at least act like decent men and free men. That is all that I wish to say.

IRP ORGAN COMMENTS ON ROLE OF INTERNATIONAL ISLAMIC COURT

Tehran TEHRAN TIMES in English 29 Aug 83 p 2

[Text] Tehran (IRNA)--In its editorial Saturday the Persian daily JOMHURI ESLAMI hailed the efforts of the International Islamic Court whose members arrived here last week on a fact-finding mission in relation with the Iraq-Iran war. The editorial however, reminded the members of the court that despite the expectation as voiced by one of the members of the court, the task of examining evidences in proof of the criminal acts of the Baghdad regime in Iran would require much more time than it was thought it would, and that also the court would be logically advised to investigate the consequences of the criminal acts of the Baghdad regime especially in light of the global situation and Baghdad's relations with the foreign powers.

Excerpts:

"Thirty-five months since the imposition of war upon Iran by the Baghdad regime, and while Baghdad's war crimes have become a daily issue, an international court has started out an investigation on the various aspects of the crimes committed in the course of the war.

"Interim statements as uttered by members of the court, so far, somehow indicates that an apparently basic difference exists between members of this court and those of other missions, and that they would like to ensure that their enquiry is not limited to a superficial probing of the situation and that it will not end in the issuance of a merely routine official communique.

"The group of distinguished Moslem jurists who are in Iran for preliminary efforts aimed at the formation of an International Islamic Court have voiced interest in visiting both Iran and Iraq so that they may collect facts and data in both countries about the war, and so that they may travel to any location in the two countries in the conduct of their mission.

"A member of the court has been quoted as having said that results of the preliminary findings of the court will be published in Tehran later on. But is the court assured that it can probe into the full spectrum of the issue within such a limited period? The voluminous book of war crimes of the invading Armed Forces of Iraq, even though supposed to be reviewed at a glance would certainly require much more time, and let the International

Islamic Court beware lest it may overlook a deep probing of the crimes of the Baghdad regime in preference for compiling a hasty report...

"Sometime ago a UN delegation inspected areas in Iran which were ruined as a result of Iraqi attacks. Simultaneously, and in order to launch out a propaganda campaign against the Islamic Republic, the Baghdad regime unwisely extended an invitation to the delegation for inspecting battle-fronts inside Iraq.

"Although owing to its inherent position and to the forces exercising domination over it, the United Nations has continuously supported the Baghdad regime during the 35 months of war by the belligerent regime in Baghdad, because of the conspicuousness of the issue even the report of the United Nations, despite its defects and shortcomings, proved to be against the ruling regime in Baghdad.

"We would propose to the members of the International Islamic Court to review at least the report of the United Nations commission in the event the Baghdad regime should continue to deny the request of the court for an inspection of residential quarters in Iraq...the court can first review the UN report about ruined areas in Iran and thereby readily witness the siding of the United Nations with the Baghdad regime and its efforts for whitewashing the war crimes of the Baghdad regime and then it can review the report of the same source which is a supporter of the aggressor party in the war, about residential quarters in Iraq and then will the court understand why we insist that the investigation should not be declared ended in Iran..."

"Members of the International Islamic Court must then realize the full spectrum of the responsibilities they have voluntarily assumed. The court now has before itself, a case in which all documents and supportive evidence have not yet been reflected, because despite their wide efforts the officials of the Islamic Republic have not yet been able to collect all information and documented facts in order to fully document all criminal charges against the Baghdad regime... In many cases even witnesses to Baghdad's criminal acts here have been martyred by the Baghdad regime... Therefore, members of the International Islamic Court should not declare their task as being concluded on the basis of preliminary investigations in Iran."

CSO: 4600/886

## IRAN-IRAQ WAR THREATENS PIPELINE RUNNING THROUGH TURKEY

Istanbul MIDDLE EAST REVIEW in English No 57, Aug 83 p 22

[Article by Selim Yalciner]

[Text]

**I**ranian attack on Kirkuk oil-fields has caused the Arab countries helping Iraq since the begining of the war to form even closer links with her. After president of the Iranian National Assembly Hashemi Rafsanjani declared that Iran intended to capture the Kirkuk-Yumurtalik pipeline, the war between Iran and Iraq has gained a greater significance for both the neighbouring countries and the super states.

The fact that Iran tried to deprive Iraq of her vital outlet through which she exports 700,000 barrels of oil per day in turn has made her bomb Abadan and the Isle of Harg, the major export ports of Iran on the Persian Gulf.

Iran's attack has caused some anxiety in Ankara as Turkey earns 250 million dollars a year through the Kirkuk-Yumurtalik pipeline. If the pipeline were to be captured by Iran, Turkey might lose this income as well as the 7 million tons of oil imported from Iraq annually. A large portion of the 1.2 million barrels per

day quota of OPEC has been transported through the Kirkuk-Yumurtalik pipeline after Syria has closed the Iraqi pipeline going through the Syrian soil. The Basra-Yanbu (Saudi Arabia) pipeline is anticipated to have a daily capacity of 1.7 million barrels yet it is still under construction. According to an agreement between Ankara and Baghdad the capacity of the Kirkuk-Yumurtalik pipeline is planned to be increased by 45 percent and the present yearly flow of 35 million tons raised to 47 million tons. This work involving an investment of 100 million dollars is expected to be completed by the middle of 1984.

The authorities have said that, if Iran were to get the control of the Kirkuk-Yumurtalik pipeline Turkey would run the risk of being deprived of the 5.5 million tons of her annual requirement of 15 million tons of crude oil and also of the foreign currency she acquires from pipeline transportation. As 640 kms of the 980 km long pipeline passes through Turkish soil Turkey earns 100 million dollars per year from it. ●

CSO: 4600/885

#### CHAND MINISTRY SAID TO PATRONIZE NEWSPAPERS

Kathmandu THE MOTHERLAND in English 11 Aug 83 p 1

[Text] Premier Chand may be serious in undoing various things ousted Thapa did. But one thing in which he has followed the former Prime Minister's role literally is patronising a section of the private press.

Chand, observers say, recently told his Home Minister to provide one thousand rupees each to private newspapers for the pledge to support the new Ministry for at least three months. Minister Lawati is learnt to have thus won the support of at least fifty newspapers published from the capital city and outside.

Informed sources say Communications Minister Dr. Prakash Chandra Lohani who is incidentally in charge of Finance Ministry has also instructed some corporations to give advertisement and financial support for the newspapers that openheartedly support the Chand Ministry and never venture criticism of the same.

Meanwhile some of the vernacular weeklies and dailies are reported to have been handsomely rewarded for their consistent bitter criticism of former Prime Minister Thapa. Lohani is said to be considering awards for the three newspapers that during Thapa's premiership published reports about the Terai RP members meeting in the presence of a foreign embassy official to save Thapa in his last days.

According to recent reports, at least two vernacular weeklies are believed to have been given fifty-five thousand rupees each.

Beneficiaries are also some of the dailies and the centre for distribution of money for these dailies and some weeklies is reported to be the Kathmandu office of Junakpur cigarette factory.

Premier Chand in awarding the papers commending him has actually followed the policy of discrimination against the papers that, because of their faith in journalistic values and morality, cannot be mere one-sided praiser of the people in power.

Ousted Thapa had used the private press for his own interest and Chand is enacting the same role. How does the fourth estate flourish in accordance with the spirit of the third amendment, in such circumstances, question observers.

**MINISTRY'S PATRONIZING CRITICIZED**

Kathmandu THE MOTHERLAND in English 16 Aug 83 p 3

[Editorial: "Dirty Practice"]

[Text]

The report that the new ministry headed by Prime Minister Chand in its bid to gain cheap popularity has started distributing money to selected newspapers deserves outright condemnation. This shows that the present ministry appears to be no better than the one headed by Surya Bahadur Thapa who never believed in performance and thus wrecked the country. Now the expectation that the Chand Ministry will be doing something to relieve the country from previous shock it suffered in the hands of Thapa appears to have taken a back seat. It is regretful that the Chand Ministry has embarked upon the same tactics for which Thapa was accused of doing from all quarters. As a man purported to be clean, he should have believed more in performance because that was the only way to draw plaudits from both the press and the people.

It is true that he has not been long in office to show remarkable performance. but the way his team has started operating

gives reasons to doubt his efficacy and ability to deliver goods. He should not have staggered under the threat of the much talked-about vote of no-confidence against him. As a politician to have had the best of intentions and now in power he should have endeavoured to win the confidence of the people by delivering the goods. But unfortunately Chand has given the impression that he is too weak to do so. And if he thinks that he can manage to hoodwink the people by patronising a section of the press, he will be committing a blunder. It is a dirty practice and does good to nobody except to precipitate his fall ignominiously. Another ludicrous practice he has inherited from Thapa is the issuance of statements from panchas expressing faith in him, ignoring the fact that actions can speak for themselves.

CSO: 4600/895

PANCHAYAT MEMBERS ISSUE STATEMENT IN SUPPORT OF PRIME MINISTER CHAND

Kathmandu THE MOTHERLAND in English 22 Aug 83 p 1

[Text]

Nine members of the Rastriya Panchayat in a written statement published have said what we need today is the politics of trust and not of mistrust, development oriented and not postoriated politics,

The nine members issuing the statement are Tribeni Kurmi, Shyam Prasad Gurung, Ramdhyan Raya, Purna Chaudhury, Bhagabat Prasad Yadav, Bedri Prasad Mandal, Raghendra Pratap Shah, Indra Dev Prasad Yadav and Shekh Sarajul.

They said a motion of no confidence against this Council of Ministers

would be harmful to the Panchayat democracy and the nation.

They added that such a move would also inconvenience the country, King and the system.

Remarking that they would like to dedicate themselves to political stability and development under the active leadership of His Majesty the King, they said, we strongly condemn every minister design calculated to destabilise the country and the practice of ousting one by another should come to an end.

—RSS

CSO: 4600/895

FOOD CRISIS WARNING; PREPARATIONS URGED

Kathmandu THE RISING NEPAL in English 18 Aug 83 p 2

[Editorial: "Timely Note"]

[Text]

A point that has been raised in the Rastriya Panchayat is the possibility of a good shortfall this year too. While many members have drawn the attention of the Government to various problems and bottle-necks regarding the supply of needed foodgrains to food deficit areas of the country, others have taken timely note of the sombre possibility that there might be a repeat of last year's food crisis.

The reasons for this are not far to seek. This year's rains have not only been delayed; it has now been followed by either drought or excessive rainfall. Furthermore, current reports on the subject suggest that in most hill areas the maize crop is likely to be affected by the lack of adequate rainfall. In addition, in western Nepal the poor rainfall has reportedly affected paddy cultivation. Considering that the country has to repay back food loans advanced last year at the height of the food crisis, it is only right that such fears should be entertained by the people's representatives.

Against this background, it is entirely befitting that His Majesty's Government should take heed of these early warning signs and make the necessary preparations to deal with the situation — if or as it arises. For this it is necessary, first of all, to accurately monitor the current food stocks that the country has and

carefully estimate, on a district-by-district evaluation, the expected yields of foodgrains. Then, on the basis of such carefully prepared assessments, His Majesty's Government should estimate not only the extent of the overall expected shortfall in the foodgrains supply position but also the likely deficit for each district. Once this is done, it should then be possible for the government to obtain an objective and total picture of the situation likely to prevail, and to devise an effective strategy to cope with the same. Such a blueprint will have to take into consideration both the possibility of food purchases, food loans or food grants from abroad, as well as the time lag that is inevitable before such food arrives in the country and can be distributed to areas where it is most needed.

On the other hand, it is worth bearing in mind that while it is sensible for the authorities to be prepared for whatever might develop on the food situation in the months ahead, there should not be any cause for alarm as yet. Thus far, His Majesty's Government has happily demonstrated both its appreciation of what might be looming ahead on the food front as well as an ability to seize valuable opportunities in this regard. This was underlined at the recent Nepal-Thailand official talks during the recent visit to Nepal of the Thai Prime Minister when the government appreciated the food assistance extended by Thailand last year and hinted at the possibility of having to face similar problems this year too because of adverse weather conditions.

CSO: 4600/895

**NEPAL**

**BRIEFS**

**WEEKLIES ASKED TO EXPLAIN--**Ministry of Communications has started its action over the news story relating to reported meetings on Nepali politics between some highly placed personages and a diplomat from a certain foreign country published in some weeklies of Kathmandu, with the intention of finding out the true purpose of publishing the news story. The weeklies have been sent official letters, according to the Communications Ministry.--RSS [Text] [Kathmandu THE MOTHERLAND in English 12 Aug 83 p 1]

CSO: 4600/895

## LOCAL GOVERNMENT BODIES ANALYZED

Islamabad THE MUSLIM in English 2 Sep 83 p 5

[Article by Syeda Abida Hussain]

[Text]

As the first term of elected Local Government draws to a close and approximately a quarter of a million aspiring councillors prepare themselves for fighting it out for the second term, it may be relevant to attempt drawing up some sort of balance sheet to examine the performance of the local representatives, the achievements of their four year tenure, alongside its disappointments.

When government announced the holding of elections to Local Councils in Sept. 1979, the people of Pakistan manifested three visible reactions. members and sympathisers of political parties did not approve, on the grounds that the election to Assemblies ought to precede the local elections. Most of the political parties, therefore, officially abstained from the process. The second reaction came from the local leaders with grass roots support who responded to the call for local elections with considerable zeal and participated enthusiastically. And the third reaction was that of the neutral citizen whose attitude was more or less one of interested observation combined with noticeable scepticism regarding the launching of yet another experiment in the affairs of the nation.

Today, when the process of local elections for the second term is underway, the reaction is again broadly, of three kinds: the political parties are involved in agitation and are boycotting this electoral process, with the PPP

spearheading a "now or never" movement, the local leaders, sitting councillors, their friends and foes are vociferously campaigning as the electoral process gains momentum, and the neutral citizen is tuning into BBC while trying to figure out what is happening and what will be the outcome of the present events.

Keeping in view our sketchy political history and interrupted processes of election, it must be noted that while the ruling oligarchies, dominated through three decades by military - bureaucratic elites, have expended their economic and political power, leaders, spokesmen and representatives of the people have been driven into narrower and increasingly shrinking corridors of parochialism and intolerance. Democracy has been a rainbow we have all been ostensibly chasing, verbally upholding and consistently subverting, to the extent that our capacities for functioning a democratic mechanism remain partly unformed and partly untested. The first tenure of elected local government has, however, provided an opportunity to thousands of elected councillors to obtain some working knowledge of the parameters of the democratic process. The fact of a threefold overall increase in the income levels

of the local councils during their first elected tenure, is in itself significant. Despite strong and often clumsy attempts on the part of the bureaucracy to "control" the councils, these councils have also been used by public as forums through which to ventilate their grievances at local levels, and a vehicle for transmitting their complaints to higher levels of authority. As a case in point it would be relevant to cite the example of an incident of police torture in August of 1979 in one of the Punjab districts, where a peasant was beaten to death by two Station House Officers in a case of petty theft. Despite a judicial inquiry and a martial law team investigating the case, the trial of this murder has not yet started because the police recorded the FIR to suit itself and destroyed all traces of evidence. Moreover, due to the absence of a representative forum from where this case could be pursued, the two S.H.O's in service. Whereas earlier this year, in the same district, when a peasant lost his life in another incident of police brutality, the District Council passed a strong resolution and constituted a Vigilance Committee of some members of the Council to monitor the case. As a result, the FIR was correctly recorded and the S.H.O. involved duly arrested, and the trial of the case is well underway.

Few Pakistanis would perhaps

dispute the contention that the first round of elected local government has brought noticeable development activity to the rural areas throughout the country. Be it with regard to road building, construction of schools or dispensaries, afforestation, provision of clean drinking water supply or encouragement of sports and cultural activities through convening of melas and fairs, the local councils have lent a very useful helping hand to the administration. After all, when these councils functioned through the Administrators their contribution to the processes of development was significantly smaller. Perhaps this has also been a reason for the hostile attitudes extended by some administrators to the local councillors in the field. A hostility which has unfortunately succeeded sometimes in impeding the progress and enthusiasm of many local councillors.

One area where the local councils have rendered useful service over the last few years is in the mobilization of women and their involvement in the development process. The fact that the majority of councils have had women members elected, through the "Special interest" seats, has stimulated an awareness, at all levels of the community, that women are a part of the participatory process and must play a vital role in the critical sectors of population control and mass education. The Women Councillors Conventions held in all Provinces, as well as at the Federal level, have been a fruitful exercise in consciousness raising and an effective vehicle for providing linkages between urban and rural women.

The creation of the Majlis-i-Shoora at the Federal level, and nominated Zakat/Ushr Committees at the local levels have, however somewhat clouded the situation for the elected local councils. In many cases, members of the Shoora have attempted to bear their weight down on the local councillors, through their access to the administration, and an unfriendly bureaucracy has found it convenient to undermine the mandated position of the elected councillors by treating them at par with the Zakat/Ushr Committee nominees.

But perhaps the most useful aspect of having had elected local councils during the last four years has been the training tens of thousands of councillors have received in the functioning of democratic mechanisms. Whereas in the past an understanding of constitutional matters and democratic concepts was limited to either parliamentarians, members of the legal profession or senior level adminis-

REGIME ADVISED NOT TO RELY ON 'ALL IS WELL' REPORTS

Islamabad THE MUSLIM in English 5 Sep 83 pp 1, 8

[Text] Karachi, 4 Sep--Lt. Gen. (Retd) Faiz Ali Chishti, ex-Federal Minister for Fuel and Power, has asked the government as well as the political leaders to demonstrate their highest sense of patriotism and sagacity to tackle the present crisis, "the worst in the history of the country."

Talking to newsmen here today after his return from London, he said the people should desist from destructive activities and the government should not push them to the wall.

The situation demands that the integrity and solidarity of the country should supersede all considerations. "The government should not rely on 'all is well' reports of their advisers."

Suggesting the solution to the problems he said that the government should immediately delegate powers for holding elections to the Chief Election Commissioner, who should announce the schedule for elections. "The delegation of power to the Chief Election Commissioner or for that matter to any other party is a must as the people are no more prepared to believe the government in this connection."

He said that according to the rules the elections to the National Assembly should be held first and followed by the Provincial Assembly or they both can be held on the same day.

In reply to a question he said that the Martial Law regime has no right to make any amendment, whatsoever, in the 1973 Constitution. The elections should be held under the 1973 Constitution and the rules therein, he added.

He said that political parties should be revived and the political prisoners and detenus should be released forthwith.

When asked whether he could help in resolving the present crisis he said, "As a Pakistani I am prepared to do whatever I can to help my country."

CSO: 4600/905

JI LEADER LASHES AT MRD

Islamabad THE MUSLIM in English 4 Sep 83 p 8

[Text]

LAHORE, Sept. 3: Mian Tufail Mohammad, Amir defunct Jamaat-e-Islami, today reiterated that the leadership of the Pakistan Movement was not at all interested in establishing an Islamic State and that was the reason the Jamaat had opposed that movement.

He was participating in the Tajzia's programme of Lahore Press Club here this evening.

Mian Sahib further said that nobody in Pakistan was interested in either Islam or democracy and that Jamaat-e-Islamic stood for the protection of these fundamental ideals.

Regarding the MRD's civil disobedience movement, the Jamaat Amir reaffirmed that in his party's view the present movement was not meant to restore democracy in the country but only to pave way for outsiders acting at the behest of the Soviet Union, India and Britain.

BUREAU REPORT

Kannan to take over the affairs of the country.

When asked as to why Jamaat had decided to abandon the parties with which it had been in alliance on a number of occasions in the past for restoration of democratic rule and civil liberties, Mian Sahib said that he failed to understand as to what had happened to the "spirit" (rason) of the leaders of these parties who were playing the game of PPP.

About the people who accused the Jamaat of functioning as a 'B' team of Martial Law regime or of failing to fight for the democratic rights of the people he said, "We say let God's wrath visit them".

While pleading for a trial to be given to the "dhangas" announced by President Ziaul Haq on Aug. 12, the Amir of Jamaat endorsed the desirability of holding elections at an early date. He said elections

can be held within eight months and for this political parties may be registered abroad and political activities be allowed. He expressed the fear that the Martial Law regime might use the disturbance caused by the MRD as an excuse to delay elections beyond 18 months. Mian Tufail did not agree that the people of Sind were motivated by deep-rooted political or economic grievances because the people of Punjab were also suffering as much as the Sindhis. "The real outside per head office in Lahore is in a mess", he said and asked why nobody was agitating against these things.

The Jamaat leader was asked which party out of PPP and socialists he considered dangerous. He replied: "So far as we are concerned, neither has any standing". He also said that the Jamaat had faced Bhutto at the height of his power "when he had super-Powers and money at his back" but the Martial Law regime was afraid of two women.

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PAKISTAN

BRIEFS

WOMEN'S FORUM REJECTS SUGGESTIONS--Lahore, 3 Sep--Women's Action Forum held an emergency meeting yesterday and categorically rejected the recommendations of the Ansari Commission holding that only women over 50 years should be allowed to stand in the general election, and even they must have written permission from their husbands. The WAF maintains that these recommendations deny women the equal rights guaranteed them by Islam and the 1973 Constitution. Moreover, there are instances in Islam where women have been head of state: in Pakistan's own history a consensus of ulema supported the candidature of Madar-e-Millat in 1965. No such age limits and written permissions are required in the case of men, so these recommendations are purely discriminatory. No such requirements are anywhere demanded in the Quran. The WAF has urged the government to clarify its position on these recommendations, for women of Pakistan will tolerate no such attacks on their rights. [Text] [Islamabad THE MUSLIM in English 4 Sep 83 p 8]

TI LEADERS' DIFFERENCES DENIED--Lahore, 3 Sep--Ch. Safdar Ali, Punjab Information Secretary of defunct Tehrik-e-Istiqlal has described the news appearing in the DAILY MASHRIQ of differences between the Tehrik Chief, Air Marshal (Retd) Asghar Khan and Mr. Mushir Pesh Imam as unfounded and baseless. He said that Mushir Pesh Imam is a heart patient and is leaving for USA for treatment. He will also go to Saudi Arabia to perform Haj. During his absence abroad, the Acting President of the party, J. A. Rahim has nominated Asif Fasih Ud Din Virdak as Acting General Secretary. Party, he said, was fully united under the leadership of Air Marshal Asghar Khan and was prepared to render every sacrifice for restoration of democracy in the country. The party, he said, was offering arrests according to MRD's programme and even its third stage leadership was undergoing incarcerations. [Text] [Islamabad THE MUSLIM in English 4 Sep 83 p 8]

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GOVERNMENT DENOUNCES FOREIGN INTERVENTION

Paris LE MONDE in French 2 Aug 83 pp 1, 4

[Article by Patrick Frances: Sri Lanka in Shock. Government Uses Riots as Reason for Repressing the Opposition and Denounces a "Plot" Inspired by Foreigners.]

[Text] Colombo.--Viewed from above, Sri Lanka retains its allure as a terrestrial paradise bounded by a sea as smooth as glass and a thin fringe of white sand set against an ocean of palm trees. On the ground, it is no longer a paradise despite the presence of carefree tourists who, it is true, are immediately rerouted by prudent travel agents to the more serene shores of the neighboring Maldives.

As soon as he is spotted the journalist is taken aside and made aware by the authorities that, since he does not have the visa now required for visitors of his profession, he is undesirable and must turn right around. A personal intervention by the French Ambassador will be necessary to open the doors to this paradise. A simple "mistake" according to the bureaucrats at the Ministry of Information who are now responsible for registering foreign journalists. A strange atmosphere, this "briefing" by the government spokesperson. Over a cup of tea, he daily informs the press of the situation in a country which a week ago was covered by an apparently effective lid in the form of a quasi-permanent curfew.

In a ghostly capital criss-crossed by the army, on almost abandoned streets, and at the beach suddenly deserted by the usual Sunday crowd, the encompassing torpor hardly resembles a resort, as testified by the shells of burned buildings which make the downtown area look like a bombed-out city.

Certainly the blaze of violence which ravaged the island has been suppressed, but the embers still smolder and, here and there, again ignite some deadly conflagrations. For example, several people were reportedly found dead on Saturday at Nuwara Eliya in the heart of the tea plantations at the center of the island in the Singhalese heartland. Thus the balance sheet started Sunday by the authorities slowly mounts to 179 deaths during the period from 25 to 29 July; 53 of these were prisoners massacred in the Colombo jail, and the total, according to other sources, will probably approach a thousand or so victims.

The bottom line seems to be an anesthetized, chloroformed country where a precarious calm reigns and where the future is uncertain.

This impression is confirmed by the government spokesperson who explained the extension of the curfew until 4:30 AM Monday morning by the need to grant the harassed police force an additional respite so they would be able to cope with the inherent risk of returning the situation to normal. But only relatively normal since it was immediately announced that the curfew would be reimposed Monday at 2:00 PM until dawn on Tuesday.

Several facts testify to the fact that the situation remains tense and anxious. First, the censorship rule applied to press reports and the strict limitations imposed on the movements of journalists; second, repeated appeals over the national airwaves to find a solution for the lack of blood in the hospitals; and finally, the instructions given to the Ceylonese ambassadors to discourage possible visitors and the cancellation of all charter flights. Some 45,000 Tamil refugees in 14 camps in Colombo were offered the opportunity to be evacuated by boat to the homeland of their minority group in the north of the country; approximately 8,000 of them accepted this offer.

In fact, what originally appeared to be a new demonstration of the endemic antagonism between the Singhalese Buddhist majority and the Tamil Hindu minority--the death of 13 soldiers in an ambush near Jasna by Tamil terrorists having triggered the explosion--is now presented by the authorities as a real "plot" purporting to overthrow the current government. Friday evening the prime minister accused "those who could not achieve power through the electoral process of having today resorted to violence to achieve their end," by plunging all their resources into "provoking a food shortage" (the government was forced to distribute foodstuffs), paralyzing economic activity and sowing panic among the populace notably by spreading alarmist rumors (infiltrations of Tamil terrorists into Colombo for example)--rumors which the head of government assures us have no foundation.

#### A Preconceived Plan

Saturday night, one of the influential members of the cabinet attempted to demonstrate that a "conspiracy" had tried to overthrow the government. Emphasizing the systematic and methodical nature of the destruction and the similarity of actions in various locations, he conjured up "a general preconceived plan, executed by individuals who knew exactly what they were doing and whom they had targeted." According to him, the operation "encompassed three stages": first, provocation of open defiance of the Singhalese by the Tamils by exploiting the tension created by the acts of terrorism committed in the north of the country; second, an attempt to set Singhalese against the Muslims; and finally, division of the Singhalese among themselves, notably the Buddhists and the Christians. This undertaking, according to the minister, was also intended to sow discord within the army and the police force whose members belong to different religions. This process would thus force the collapse of the government, deprived of its support and incapable of maintaining law and order.

Going still further, the minister denounced the role played by "foreign elements" (in the Singhalese version he even used the expression "foreign powers") in the elaboration of this general plan which would then have been applied by the local political parties, some of which were in collusion with the "northern terrorists." Paying homage to the efficiency of the police force and the discipline shown by the majority of the population, he concluded: "The danger persists; some groups continue to do everything within their power to provoke new incidents; looters use the shadows to take advantage of the disorder."

The speech explains the banning that same day, of three groups on the far left: the Popular Liberation Front (JVP), a party of the extreme left which led a leftist insurrection in 1971 which drowned in a bath of blood; a small Trotskyist group; and the pro-Soviet Ceylonese communist party. According to the government spokesperson, these three groups were directly implicated in the disorders and were "fellow conspirators" in the plot designed to "overthrow, or at least destabilize, the government." This plan, he assures us, "could not have been conceived in 24 hours," and the Jasna ambush "was only the trigger."

"The enemy being thus identified," to repeat the expression used Sunday evening by a minister, it only remains now for the government to convince the public that it is not exploiting the current situation in order to conduct an operation of political repression. A repression which, the president announced Thursday, should also demolish the partisans, however moderate, of the separatist cause, a constitutional amendment having been passed to this effect by the Parliament. To be sure, the government spokesperson has exonerated the United Front for Tamil Liberation, the principal opposition party, from all participation in last week's events. But as suggested by a minister Sunday evening, the new amendment looks, in fact, like a mortal weapon pointed at the moderate Tamils. If so, it risks accentuating still further the government's isolation and the frustration of an opposition which, although having won 47 percent of the vote in the last presidential election, sees itself more than ever deprived of future prospects.

The referendum last December, whose aim even then was to thwart a leftist plot, in effect prolonged the crushing domination of the government party for six years. This situation could lead the opposition forces to resort to "extra-parliamentary" means to overthrow the current regime. It is just this temptation to which the local extreme left has yielded, with the active complicity of "foreign elements," according to the authorities who do not regard favorably the western anchorage represented by Sri Lanka nor the success of her liberal economic experience.

12308  
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SRI LANKA

INDIA SERIOUSLY CONCERNED OVER UNREST

Paris LE MONDE in French 2 Aug 83 p 4

[Text] New Delhi.--After his 24-hour trip to Sri Lanka, Indian Minister of Foreign Affairs Narsihma Rao reported his first-hand observations and the tenor of the two conversations he had with President Jayewardene to Mrs. Gandhi who had interrupted her official visit to Sikkim to receive him. To Mrs Gandhi's emissary, the situation on the island "remains worry-some" according to a spokesperson for the Indian Ministry of Foreign Affairs.

"Acts of violence against the Tamil community continue" and "the situation does not seem to be under control," he said before expressing the "strong misgivings" of his government. Still, according to the spokesperson, Colombo would have accepted India's help. In New Delhi, one hears that the Ministry of Marine Transport is in the process of requisitioning a boat to participate in the evacuation of Tamil refugees from the southern part of the island to the north.

During his discussions with the President of Sri Lanka, the Indian minister raised the question of the violent "anti-Indian" campaign unleashed by the Ceylonese press only a few days before the incidents. Finally, Mr Rao expressed to President Jayewardene the "profound consternation" of the Indian government in regard to "his sympathy for the suffering population." Mr Rao, in another connection, took a helicopter to Kandy, in the center of the island, where he talked with returning Indian refugees in a cultural center. President Jayewardene, according to a spokesperson, characterized the visit of the Indian minister as a "neighborly act."

In India, while the opposition parties are unanimous in expressing their solidarity with the Tamil population of Sri Lanka, numerous demonstrations took place daily in front of the Ceylonese consulates in several cities (Delhi, Madras, Bombay). Sunday afternoon, Mrs Gandhi received a delegation of Tamil-Nadu for a little more than an hour. She assured the delegation members that the Indian government viewed the situation of the Tamil in Sri Lanka as "a national problem." The prime minister seized the opportunity to appeal to the Indian opposition for "national unity."

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